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**CAPITAL AND LABOUR  
IN THE  
INDIAN TEA INDUSTRY**

**CAPITAL AND LABOUR**  
**IN THE**  
**INDIAN TEA INDUSTRY**

**SANAT KUMAR BOSE**

**1954**

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To  
SHANTA MUKHERJEE (Bhalerao)  
who is no more with us

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## INTRODUCTION

This book was written by Sanat Bose long ago but its publication was delayed due to several reasons.

The A.I.T.U.C. hopes that the book will be of use to trade union workers as well as the general public in the task of liberating our Tea from the clutches of the most powerful section of British capital in India, that of the British planters and making the vast production and profits of this industry available for improving the conditions of the working class, developing the wealth of the country and making good tea cheaper for our consumers.

In the last two years, this giant of monopoly capital has succeeded with the consent and help of Governmental circles and the ruling Congress Party, in cutting down the wages of the workers, in curtailing production and raising prices for the consumer, in order to make still greater profits.

The task of defending the interests of the workers and the people from this powerful international cartel will not be an easy one. Even as individuals some of the British planters still retain the ferocious characteristics of the early buccaneers, who shot our people and grabbed our lands and our wealth. A recent report in the papers mentions how an enraged planter in West Bengal shot and wounded eight women workers in his gardens, when a group of them went to him to present their grievances. This happened in 1954 and not in the last century!

The A.I.T.U.C. is confident that when the working class in India overcomes the disunity in its ranks and struggles unitedly, the political and economic stranglehold of these monopolists will end and happier days will come for all our people.

Bombay,

*S. A. Dange*

20th May 1954.

## PREFACE

It is generally admitted by economists of various schools of thought that India made a great contribution towards Great Britain's Industrial Revolution and economic prosperity and that her industrial development was mainly built on the basis of her colonial markets in general, and of India in particular.

Economists differ however in their opinion as to how far the colonies themselves benefited from the colonial system of economy established by the metropolitan countries in general and Great Britain in particular.

The purpose of this book is not a detailed discussion of this broad question. I have, in fact, confined myself to tracing and analysing the history of the growth and development of one of the principal industries of India, viz., tea plantations. In the process, I have naturally tried to show how the so-called economic development of India was undertaken in order to suit the needs of British capital in the mother country only.

In following this relation between the industrial requirements of the ruling country and the corresponding changes introduced in the pattern of economic exploitation in India, the tea industry offers us perhaps the most interesting medium, and that is why I have selected this topic.

In dealing with this industry frequent reference to Assam is inevitable, for Assam saw the first cultivation of tea in India and still remains the major tea-producing state, naturally providing the best ground for studying the various problems connected with the industry.

This study is presented to the reader in my own way, but in so doing I claim to be no pioneer. In order to go through the vast literature that is available in this field and to present before the reader a systematic study of the various phases of this industry in the background of their interconnections with the general demands of British industrial policy, a writer must be both a competent historian and an economist. Having been a student of physics all through, I naturally lack in the required academic competence. My only apology—expressed in all sincerity—in trespassing into alien fields is that my activities as a trade

## P R E F A C E

union organiser, even though of a very short period, impelled me to take up to the present study and its incorporation in a book. I do not, therefore, rule out the possibility of a defect here and a defect there, for which I alone am responsible. But I would consider my labours worth while if this compendium of facts and information and the deductions made therefrom prove helpful to those wishing to make further studies on the subject.

I am grateful to Comrade S. A. Dange, General Secretary of the All-India Trade Union Congress, for going through the entire manuscript and offering me some valuable suggestions. I also acknowledge similar help rendered me by Comrade Ajit Roy and Prof. Kalyan Dutt. Comrades Digen Das Gupta, Monoranjan Roy and Moni Bhowmik helped ungrudgingly in the writing of the chapters on the labour movement in the Assam and West Bengal tea gardens.

To the late Comrade Shanta Mukherjee (Bhalerao) and Comrade Achinta Bhattacharya, I am deeply indebted for encouraging me to take up this study.

Lastly, I offer my thanks to the members of the Staff of the National Library (Belvedere), Calcutta and Srimati Ila Mitra for helping me in all possible ways to collect material from the rich stocks of the library. My thanks are also due to Sri Sushil Kumar Sinhaw, to my brother Sri Amal Bose and to my sister Srimati Uma Ghosh, for typing out and correcting the manuscript. But for their constant and untiring co-operation, it would not have been possible for me to bring out this book.

Calcutta,

May 15, 1954.

*Sanat Kumar Bose*

# PART I

## ORIGINS AND GROWTH

---

### *Chapter I*

#### HISTORICAL BACKGROUND

BEFORE tea cultivation was started in India, Europe (including the U.K.) used to receive its entire supply of tea from China. In 1829, the U.K. imported about 28,230,000 lbs. of tea valued at £3,286,000.

Upto 1833, i.e. upto the renewal of its Charter, the East India Company held the sole monopoly of trade with China. This monopoly, however, came to an end that year, depriving the Company of a great source of revenue. To make up for this loss, the Directors began to take increasing interest in the experiments on the cultivation of tea which had been going on (through the efforts of some private individuals) for some time past, in various parts of Assam and North Bengal. The province of Assam was conquered by the British in 1825 and the annexation of this part of India, which was most suitable for tea cultivation, gave a further impetus in this direction. The East India Company's Government in India were asked by the Directors to report on this matter from time to time. In a Minute to the Directors, we find Lord William Bentinck making the following remark regarding the prospects of tea cultivation in India:

"It appears that both the present President of the Board of Control, as well as the East India Committee have had the subject [tea cultivation] under their consideration....I propose that a Committee, of which I will present a list hereafter, shall be formed for the purpose of submitting to Government a plan for the accomplishment of the object, and for the superintendence of its execution...." (Minute by the Governor General, 24th Jan., 1834.)<sup>1</sup>

<sup>1</sup> See Parliamentary Papers, subject tea, (1837-39); p. 5.

A memorandum submitted by Mr. Walker was later on sent to the Directors by Lord Bentinck along with his own Minute, for their information. The Memorandum states:

"The commercial relations of this country [U.K.] with China have lately assumed a character of uncertainty... This unsatisfactory state of affairs has originated from a combination of causes and occurrences spread over a long series of years." So, continues Mr. Walker, "at no very distant period, and from some apparently accidental event, not only the British nation, but all foreigners, may be prohibited from entering the Chinese territories...." Further, "For many years the consumption of tea has been increasing in this country.... The quantity consumed in the U.K. exceeds 25,000,000 lbs. per annum; and the annual cost to the people of this country, including the duty, is about £8,000,000 sterling. It is therefore of considerable national importance that some better guarantee should be provided for the continued supply of this article than that at present furnished by the mere toleration of the Chinese Government, which, although the Chinese have at present a monopoly, it will be easy for us to destroy."<sup>2</sup>

(Mr. Walker was obviously referring to the strained relations which existed during this period, i.e. the 1830's, between the Chinese Government and the various European trading companies over the question of China trade.)

We learn from these documents how anxious the East India Company was to make up for the loss of its monopoly in the China trade. It was therefore only logical that the Company should take active interest in growing tea in India for export to the U.K. Vigorous experiments were started with tea plantations in various places at the initiative of the East India Company's Government. These experiments received further impetus from Lord Bentinck's decision to set up a Committee to "enquire into and report on the possibility of introducing the cultivation of tea in India."<sup>3</sup> The Committee in its Report, submitted on 15th March, 1834, concluded that "there is good reason to believe that parts of the Company's dominions present such features of climate and soil as would warrant the expectation that the tea plant might be successfully introduced into them with a view to commercial purposes."<sup>4</sup>

This optimistic report encouraged the Government to proceed with the cultivation of tea, and the first experimental tea garden was started in Luckimpore (Assam) in 1835. But this attempt failed and the plants were moved to Joypur in

<sup>2</sup> Ibid., p. 7.

<sup>3</sup> Ibid., p. 16.

<sup>4</sup> Ibid., p. 16.

the Sibsagar District (Assam). Calcutta received the first consignment of tea from Assam in 1836 and London in 1838.

Indian tea arrived at the London market at a time when the industrial activity of England was passing through a boom. The Reform Act of 1830 gave to the British bourgeoisie "a recognised and powerful place in Parliament", whereas the renewal of the East India Company's Charter in 1833, depriving the latter of its exclusive monopoly of trade with Eastern countries, gave a further impetus to the former to expand their commercial and industrial activities. The year 1836 saw the peak of the boom which started gradually after the slump in 1832. Investors were eagerly looking for profitable outlets in the commercial world where they could invest money. The arrival of Indian tea provided them with one such outlet. Many private capitalists began to approach the Government both in London and Calcutta to allow them to participate in cultivating tea in Assam and a number of companies were formed hurriedly for this purpose, both in London and in Calcutta. These were later on amalgamated into one single company—the Assam Tea Company—in 1839 with an authorised capital of £ 500,000. Soon afterwards the Government of India transferred most of their own gardens to the Company, and thus began the era of tea cultivation in India.



## *Chapter II*

### THE FIRST PHASE IN THE INDIAN TEA INDUSTRY (1839-70)

THE Assam Tea Company, which was the first joint stock company engaged in the cultivation and production of tea, enjoyed a brief spell of prosperity both in virtue of being the first in an industry meeting a great demand and also because of the feverish stock exchange activity in the London market. Its shares, therefore, were in great demand and fetched very high prices. But this prosperity was short-lived and after a few years the prices of its shares began to fall, so much so that in 1846-47 there was practically no buyer for tea shares. The immediate cause of this crisis was inexperience and bad management on the part of those who were in charge of the Company's affairs in the tea gardens. A tea garden generally takes four years' time to start producing—the time required for the plants to grow and become sufficiently mature. This was not realised by the planters who began to pluck tea leaves as soon as they sprouted. This rush to produce tea from immature plants caused the gardens to suffer and ultimately made them unproductive, thus bringing about a partial collapse in the activities of the Assam Tea Company. But the ultimate cause of this crisis is to be found in the trend of industrial development in England at that time which was periodically and "violently interrupted by a general commercial crash, followed, after a long period of chronic depression, by a few short years of prosperity."<sup>1</sup>

The year 1847, particularly, saw the outbreak of a great commercial crash whose sweep could not but affect the newly-formed Assam Tea Company which was still on an unsound economic footing. As the entire stock-exchange market collapsed, it was only too obvious that there would be no buyer for Assam Tea Company shares.

But if the stock exchange was receiving a violent set-

<sup>1</sup> Engels, *Condition of the Working Class in England in 1844*, p. xi.

back, the repeal of the Corn Law in 1846, together with the success of the Free Trade Policy adopted in 1847, started, on the other hand, to turn the scales gradually and English commercial prosperity once again began to revive. In the meantime, the planters—men on the spot, on whom depended the commercial success of the Company—acquired sufficient working knowledge and tea cultivation began to expand again. The number of gardens was increasing and different parts of Assam were brought under tea cultivation. "The first private garden was opened near Dibroogarh in 1850-51. By 1853, three further gardens in Sibsagar, and six gardens in Luckimpore were started. By the end of 1859, there were already 51 gardens".<sup>2</sup>

From then onwards new gardens were established not only in Assam but also in Darjeeling, Dooars, Surma Valley, South India and Chotanagpur. There was a frenzied rush for opening up tea gardens and, in fact, tea became a favourite topic of discussion among London business circles. British trade and manufacture were spreading their tentacles all over the world and a rapid accumulation of capital in the hands of investors led to further investments in the tea trade, with the result that companies for trading in tea grew like mushrooms in London. People began to buy shares without even caring to enquire into the *bona fides* of such companies. Prices of shares mounted sky-high. Taking advantage of this demand, speculators-cum-planters opened up any number of gardens in Assam and then sold them to these newly-formed tea companies of London at exorbitant prices. To the planters it seemed "very doubtful whether it would ever pay to make tea, but that there was no doubt that it paid to make gardens. Everyone looked forward to becoming suddenly and immensely rich by getting a piece of land, planting it over with tea and then selling it for a vastly greater sum than he had expended on it."<sup>3</sup>

The Government of India directly encouraged these speculators in their mad rush for opening up bogus gardens. Not content with handing over its own gardens to the Assam Tea Co., it passed an Act in 1838 granting waste lands in Assam to the planters at a very nominal rent. The procedure adopted for this purpose will be dealt with in detail in the next chapter. Whoever applied for land to cultivate tea got it almost free and without any conditions being imposed by the Government. Assam being a thinly populated province, enough waste lands were available and the Government began

<sup>2</sup> Linde, F. E. C., *Tea in India*.

<sup>3</sup> Papers regarding the Tea Trade.

*to give them away without any limit. Of this period, Mr. A. F. Dowling writes:*

"It was the period of American Civil War when rapid fortunes were being made on both sides of India, and when attention of capitalists in all parts of the world was turned to this country. Speculators saw their opportunity, and made the best of it; from the good results attained by a few private gardens, exaggerated pictures were drawn of the enormous profits to be made by working with large capital. Companies were hurriedly formed, and land taken up in a most reckless fashion."<sup>4</sup>

This reckless expansion of gardens by speculators, encouraged by a period of commercial prosperity in England, continued for three to four years from 1859. Its effects were soon to be felt and the boom period in tea cultivation was soon followed up by a severe crash.

Tea-producing districts in Assam being thinly populated, acute shortage of labour soon began to be felt by the gardens. Local labour failed to keep pace with the growing demand due to the rapid increase in the number of gardens. Besides, the local labourers had not much desire to work in the gardens as the pay and conditions of work were not at all attractive. They could get better terms and higher wages even as agricultural labourers. As early as 1859, when this problem had not yet become very acute, Col. Jenkins, Commissioner of Assam, had recorded a serious warning on this point, but the planters took no notice. Another problem that was becoming serious was that of food for the garden labourers. Food had to be imported from far-off markets. So, with the increase in the number of labourers, this problem had to be taken serious note of. The fact that road communication was still very much undeveloped also contributed to the deepening of this crisis. All these factors, together with the crisis that was gradually setting in in the London money market, forced the tea industry into a period of depression after 1862. Very soon it became so severe that many companies failed to withstand its effects and wound up their business. A number of gardens were abandoned. Investors in London became panicky. There was a great outcry against both the Government and the tea companies because many people lost their entire fortunes in this depression. Thus the "tea mania" gave way to a "tea-panic". "In the place of the rush to possess tea property regardless of cost, there was now a still more eager desire to get rid of it at any price."<sup>5</sup>

<sup>4</sup> Dowling, A. F., *Tea Notes*.

<sup>5</sup> *Ibid.*, p. 59.

So severe was the depression that the Government of India was compelled to appoint a Commission in 1868 to enquire into this matter.

After a thorough enquiry in the various tea-producing districts of Assam, Cachar and Sylhet (Assam was not yet a province), the Commission reported:

“On the whole, we see no reason to believe that, as far as soil and climate go, tea cannot be grown profitably in Assam, Cachar and Sylhet. The whole matter may be reduced to the one question of the supply of labour. If this can be obtained in sufficient quantity, and at reasonable cost, gardens properly planted and economically managed ought to return a fair profit on the outlay.”<sup>6</sup>

The Commissioners also said that bad management, sacrifice of quality for quantity, shortage of capital, the monetary crisis of 1866 etc. were among the other causes of this crisis. It should be noted here that the year 1867 saw an acute crisis in the London money market. Money was therefore not available in such quantity as would have enabled the tea industry to tide over its crisis during the years 1863-67.

### *Chapter III*

## LAND TENURE SYSTEMS IN THE TEA PLANTATIONS OF ASSAM

LAND is one of the most important items in the tea industry and therefore deserves separate study.

We have seen how the Government transferred its gardens to the Assam Tea Co. in 1839, when the industry was just beginning to draw the attention of the British capitalists. The latter wanted to expand the industry and for this purpose needed more land to be brought under tea cultivation.

The monopoly of the East India Co. having finally been broken in 1833, its function was now confined to governmental activity under the direct supervision of the Home Government.

"The Act of 1833 strengthened the Board of Control, changed the proprietors of the East India Company into mere mortgagees of the East India revenues, . . . transformed it as far as it existed politically into a mere trustee of the Crown. . ."<sup>1</sup>

This is why the Government of India had to transfer its own gardens to the Assam Tea Co. as soon as the latter was formed. This is also why the Government could not refuse when the Assam Tea Co. wanted more land to be brought under cultivation. Besides, the tea-producing areas in Assam consisted, at that time, mainly of undeveloped waste lands which were of no use to the Government from the point of view of rent or revenue. Government was therefore willing to grant more land to the planters at very cheap rates. For this purpose, special legislation was passed from time to time which facilitated this process.

The first rule was issued in 1838. It laid down the principle that any amount of land from 100 acres upwards upto 10,000 acres could be taken up for tea cultivation, by an applicant, on 45 years' lease, with a rent-free period of 5 to 20 years, depending on whether the land was open or under forest. After this a progressive assessment was to be made on

three-fourths of the area, rising to Rs. 1-2-0 per acre. After the expiry of the lease, one-fourth of the area was to remain free from assessment in perpetuity; the rest was to be assessed at the option of the grantee, at the rate which was paid for the rice-cultivated lands in the neighbourhood.<sup>2</sup>

A revised set of rules known as the Assam Rules of 1854 were passed in that year whereby the term of lease was extended to 99 years. Progressive assessment was greatly reduced. The minimum amount of land that could be held under this rule was extended to 500 acres. It was fixed that one-fourth of the area of each grant was to be rent-free for ever, while the remaining three-fourths was to be rent-free for 15 years, after which it was to be assessed at 3 as. per acre for 10 years and at 6 as. per acre for the next 74 years. At the expiry of the lease of 99 years, the land was liable to be reassessed.

These rules were extended to Cachar and Sylhet in 1856 and are also known as the "Fee-simple" Rules.

Comparing these Rules with the first ones, we find that the planters had gained further concessions. But they were not satisfied because, along with the concessions, the Government imposed certain conditions on the applicant. The Government wanted to clear up the forest lands at the expense of the planter and save its own purse thereby. Besides, the demand for more lands opened up a new channel of revenue for the Government through land tax. Though the rate of land revenue payable by the planter was small, the steady increase in the amount of land acquired for tea cultivation began to bring in a substantial revenue to the Government. Under the Assam Rules alone, more than 388,000 acres of land were held by the planters. The Government wanted to grab a part of the planter's revenue to which the latter naturally put up a violent opposition. In this period any number of tea gardens were being opened and the speculators acting on behalf of the different companies were making enormous profits. Hence, they were not prepared to tolerate any measures which would act as brakes on their activities.

The conditions which were imposed by the Government laid down that the applicant was to deposit sufficient money to provide for the survey of the boundaries of the land that was being applied for. The surveying, done by a compass-amin, was a very difficult task because of the nature of the terrain. Therefore, in practice, it was never done properly.

<sup>2</sup> See Dowling, A. F., *Tea Notes*, p. 57; and Gait, E., *History of Assam*, pp. 353-4.

and, by bribing the amin, the planter could easily take up more land than was actually recorded in the survey report. (This was all the more easy because there was no machinery to check such abuses. This practice started right from the very beginning [1838], and even as late as 1939, there were no accurate data with Government regarding the actual amount of land held by the tea-producing companies in Assam.)

The Rules also laid down that one-eighth of the land granted should be cleared up and rendered fit for cultivation within 5 years from the date of occupation; one-fourth in 10 years; one-half in 20 years and three-fourths in 30 years; failing which the land was liable to revert to Government.

We have already mentioned that the planters were not prepared to accept these conditions. Their main demand was that the system of outright purchase of land, which was not permitted by the previous Rules, should be legalised on suitable terms. They appealed directly to the Viceroy, Lord Canning, to come to their aid. As a result of his intervention, another series of Rules were passed in 1861 known as Lord Canning's Rules.

The first of the two series of rules laid down that land could be purchased at rates varying from Rs. 2-8-0 to Rs. 5-0-0 per acre. Leases under the previous Rules were commutable to fee-simple at 20 years' purchase of the rent payable at the time of commutation. These Rules were modified a year later, in 1862, to provide "that all unassessed waste lands in which no right of proprietorship or exclusive occupancy was known to exist, should be available for purchase unless specially reserved by the Government. Ordinarily, no lot was to exceed 3,000 acres, but there was no limitation to the number of lots any one might obtain. Each lot was to be put up to auction at an upset price of Rs. 2-8-0 per acre. [This was increased to Rs. 8-0-0 in 1874.] The price might be paid in instalments within 10 years of the completion of the purchase. All grantees of lease-hold lands were allowed to redeem in perpetuity the future revenues of their grant, or of any compact part of them, by the payment of an amount equal to the present value of all future payments under the leases, which for the purposes of the rule, were treated as if they were perpetual." The amount of land acquired under Lord Canning's Rules was 320,000 acres.

A third system was introduced under Orders from the Government of Bengal, originally issued in 1864.<sup>3</sup> Under this system of rules, 100,000 acres of land were acquired.

<sup>3</sup> See, Papers regarding Tea Plantation in Bengal.

The system of outright sale of land was stopped in 1876 and a system of 30 years' leases was introduced. The leases were sold at an upset price of Re. 1/- per acre and the area covered by them was liable to assessment at progressive rates rising in the last period of the lease to Re. 1/- per acre after a revenue-free term.<sup>4</sup>

As can be seen from the above, the time for reassessments of various leases began to mature after 1906, i.e. 30 years after 1876. In this connection, the Government of Assam issued the following communique:

"In the year 1906, the leases began to fall in and the question of reassessment came into consideration. In February 1912 it was decided that all grants which had fallen in then or would subsequently fall in should be resettled at a *slightly enhanced* revenue, namely Rs. 1-2-0 an acre in Kamrup, Mangaldai, Nowgong and the Surma Valley, and Rs. 1-4-0 an acre in Tezpur, Sibsagar, and Luckimpore. The new settlement was to be for periods coinciding with those of the district settlements."<sup>5</sup>

These orders were criticised on two grounds: first, that the period of settlement was too short, being only three years in Cachar and thirteen years in Kamrup and two in the Sibsagar subdivisions; second, that the Government was still under an obligation to grant leases on favourable terms. With the sanction of the Government of India, it was eventually decided after further discussions to modify the orders and instructions were issued in October 1912 that the *settlement should be renewed in all cases upto 1932 at the rate of revenue already mentioned*. It was further explained that "Government still hold themselves bound by the limitation imposed on further revenue by the terms of the original leases..."

As "the bulk of the estates held under 30 years' leases issued under the Rules of 1876 for special cultivation, or under Section I of the Settlement Rules under the Assam Land Revenue Regulation in force from 1894 to 1930,... are [were] due for reassessment of land revenue with effect from the 1st April 1932", and also as the settlements renewed in 1912 were also upto 1932, this question was again taken up that year. In this connection, it will be necessary for us to quote the new Government order issued in 1932:

*"Reassessment of Estates held under 30-year leases or under Section I of the Settlement Rules.*

"In April 1932, Government took up the question of the

<sup>4</sup> See Gait, *op. cit.*

<sup>5</sup> Assam Gazette, April 1932.



terms on which the resettlement of the estates held under 30 years' leases, should be made in the districts of *Lackimpore, Sibsagar, Darrang, Nowgong, Kamrup, Goalpara, Cachar, and Sylhet.*

"... The majority of them are due for reassessment with effect from 1st April, 1932, while the remainder will fall due on different dates during the next 20 years.

"... The period of settlement was originally for 30 years starting with a revenue-free period of 2 years and carrying a revenue of Re. 1/- per acre during the last 10 years of the term. Under Article 2 (f) of the instrument of lease, on the expiry of the 30 years, revenue on the land is assessable under the law for the time being in force in the district, *but no portion of the said land is, at any time, to be assessed at a rate higher than that then payable on the most highly assessed lands in the district which are cultivated with rice, pulses, or ordinary agricultural produce.*"<sup>6</sup> (Italics mine.)

By orders issued in the year 1912, the period of the leases that had expired or would expire before the 31st March, 1932, were extended up to that date on an assessment of Rs. 1-2-0 per acre in certain districts and Rs. 1-4-0 per acre in others.

"... Although in old days it was necessary to offer concessional terms to induce people to take up land for tea cultivation, the position has since changed and there is in all areas *a steady demand for land* which, if not required for tea, is wanted by the general public for ordinary cultivation. Consequently the Government consider that it is not unreasonable to call upon the holders of 30 years' leases to pay revenue at the all round rates prescribed for special cultivation under the ordinary Settlement Rules of the province. These rates are approximately what would be assessed on the land were it settled for ordinary cultivation and do not exceed the limit laid down in Para 2 (f) of the instrument of lease referred to above." (Italics mine.)

The order then goes on to give details of the revised rates. It will be interesting to study these details.

Revised Rates:<sup>7</sup>

Lakhimpore	-	10 as.	per bigha.
Sibsagar	-	8 as.	for first 5 years,
		10 as.	for next 5 years, then
		12 as.	for the rest of settlement
			period.
Goalpara	-	8 as.	
Cachar	-	7 as.	

<sup>6</sup> "Orders of the Governor in Council of Assam". See **Proceedings of the Assam Branch of the Indian Tea Association**, August 1932, pp. 118-20.

<sup>7</sup> *Ibid.*

"In the present resettlement," says the Communique, "it is proposed to fix an all round rate of 10 as. per bigha in the case of Khiraj lands, the nisf Khiraj lands (for the part of Darang district) being assessed at half this rate. *The proposed rate of 10 as. is well below the average bigha rate for lands taken up for ordinary agriculture* in the sub-division according to the new settlement and is the same as that sanctioned for tea lands in Nowgong and in the cadastrally surveyed areas of Kamrup, to which the tea lands in this sub-division are not inferior."<sup>8</sup> (Italics mine.)

The tea industry was passing through a depression at the time when the new settlements were being made, i.e. in 1932. So the Government, in its anxiety to help the planters, decided to reduce the revenue. This point was stressed in the order thus:

"The Government realise that owing to the present depression in the tea industry, hardship might be caused to some were the assessment to be raised at once from the present rate to the all-round rate prevailing in the various districts. With a view to graduating the enhanced rate and at the same time giving ultimate effect to the intentions outlined above, they propose therefore that the lands taken up under 30 years' lease or under Sec. I of the Settlement Rules should now due for reassessment be assessed at the rates and for the periods noted below—

Estates becoming due for assessment in subsequent years will be assessed according to the stage, in the scale reached at the particular time since the incremental rates are given only on account of the present depressed state of the industry, which it is hoped will have passed before the question of reassessment arises in later years."<sup>9</sup>

It is not our purpose here to analyse the causes that led to the crisis. This will be done elsewhere. What interests us more in this chapter is to study how the Government reacted on this question in formulating their new policy on revenue assessment with regard to the tea-producing lands. The stand taken by the Government is made clear from the Communique quoted above: it was prepared to forgo a part of its revenue in order to help the tea companies to tide over their crisis. We would have welcomed this stand provided we found that the same consideration was being shown to all land-holders throughout the country. As land-holders from the Government, there is no difference between an ordinary peasant ryot and a tea company. But with regard to the for-

mer, the Government pursued a different policy. No remission has ever been made in land tax paid by a ryot even when he passed through acute crises. As it is, our peasant can hardly make both ends meet after paying off all dues, both to the Government as well as to the various middlemen engaged in collecting rents, but Government has never come to his aid. When, in 1867, it was found that shortage of labour was the main cause of the crisis that came over the tea industry, this very Government, acting on the advice of the then Commissioner of Assam, introduced a higher rate of rent. The purpose of this increase in rent was to "uproot a large section of the cultivators from the soil and force them to work on the tea gardens",<sup>10</sup> and thereby force a reduction in the general wage level of plantation labour by creating competition among them!

That this was not merely an isolated incident in the long chapter of the land revenue policy of the Government of India is clearly shown by hundreds of other such discriminations made by both the Central and Provincial Governments between the interests of British capital (in the form of land-owning interests) and the Indian ryot. Readers may remember the famous Petition of Rani Bhabani of Rajshahi, who pleaded for time to pay up her revenue dues to the Supreme Government (then under Warren Hastings), because, due to bad harvests, her ryots could not pay her their rents. The Petition ran thus:

"In Bhadra or August 1773, the banks broke, and the Ryots' ground and their crops failed by being over-flowed with water. I am a Zamindar, so was obliged to keep the Ryots from ruin, and gave them time to make up their payments; and requested the gentlemen [British officials] would, in the same manner, give me time, when I would also pay up the revenue..."<sup>11</sup>

What was the reply to this Petition? Outright rejection of the appeal and forcible seizure of all the Rani's wealth and property.

A few years before this, during the great famine of 1769-70, when according to official report, "one-third of the inhabitants perished in the once plentiful province of Purneah", the Calcutta Council informed the Court of Directors (on the 12th Feb. 1771) that "notwithstanding the great severity of the late famine and the great reduction of people thereby, *some*

<sup>10</sup> Tea Commissioners' Report, 1868.

<sup>11</sup> "Petition of the Rani of Rajshahi to the Governor and His Council", quoted in Romesh Dutt's, *Economic History of India*, vol. i, p. 66.

*increase has been made in the settlements both of Bengal and the Behar provinces for the year.*"<sup>12</sup> (Italics mine.)

This policy was repeatedly followed as we shall presently see. In 1865 famine broke out in Orissa. It was, writes Buckland, "the most intense India had seen." On 26th Oct., 1865, Mr. Muspratt, the then Magistrate-Collector of Balasore, enclosed a petition from certain Zamindars, praying for time to pay their revenues, on the grounds that the crops were ruined; that the ryots, unable to get advances, could not pay their rents; that the ryots had blindly disposed of all their produce and kept no stock for the current year.... Mr. Muspratt, after giving detailed figures, recommended the petition to the Commissioner. But the Commissioner as well as the Board of Revenue rejected it as "inadmissible" on 9th November.<sup>13</sup>

We could go on quoting such instances of injustice. Let us however come back to the particular case of the plantation industry with which we are here primarily concerned.

We have seen the terms on which waste lands were granted to the planters. (By 1932 the term "waste land", as applied to tea producing land, had lost its meaning because these lands were waste lands no longer.) Now, all the land which a planter might thus have been granted was not put under tea cultivation. There was always more land in his possession than was necessary for his immediate purpose. This was possible because Waste Land Rules did not compel a planter to plant his entire plot with tea. So, with this extra or reserve land at his disposal, the planter used to play the role of a zamindar by letting it out on fixed annual rentals to those labourers who wanted to settle down as cultivators after completing their periods of indenture. They thereby became his tenants. At their own cost, these settlers had to clear the forests in order to make these lands suitable for cultivation, the planters not having to spend a farthing for this purpose.

It would be reasonable therefore to expect that these new tenants should get their land on the same conditions as those granted to the planters themselves by the Government. But that was not to be. On the 11th of December 1882, the *Hindu Patriot* published the following news received from its Assam correspondent:

"Can you assign any possible reason why cheap terms on which waste lands are leased out to Tea-planters in Assam are not

<sup>12</sup> *Ibid.*, p. 52.

<sup>13</sup> Buckland, *Bengal under the Lieutenant Governors*, vol. i, p. 334.

granted to Coolie Settlers?.... A poor coolie, when he settles down as a ryot, has to pay the full rate of Rs. 1-14-0 per acre from the very day he begins to clear a plot of waste land. [The reader may recall the terms of Waste Land Rules]... When a Bengali coolie brings for the first time 10 acres of waste lands under the plough, is he less entitled to the consideration of Government than the Tea planter who has just 20 acres of waste land under Tea? When a Bengali turns 10 acres of howling jungle into a golden paddy field, is the cost of first clearance a matter of less importance to him than to a Tea planter?...

"Is there no public body in Calcutta, who may bring this matter to the notice of the Governor General who has prolonged the term of coolie labour from three to five years?"

The ultimate guiding factor in fixing rent is the productivity of the soil and the demand for land. By productivity is meant, of course, the actual (and not the potential) money-value of the produce of the soil because, in the final analysis, rent must be a part of the surplus value that is derived from the cultivation of the land.

Guided by this idea of rent, the Government gave away land on very easy terms to the planters in the early stages of the tea industry. But when the question of reassessment of rent came up later on, in 1932, the cultivation of tea was fetching huge profits for the planters. In other words, the land was producing much more surplus value than estimated when the Waste Lands Rules were formulated. So, if the above principle regarding fixation of rent was to be followed, the Government ought to have made a heavier assessment on the planters in 1932. But that was not done. On the other hand, in all cases of rice-cultivated lands held by poor peasants, assessment of rent was often much higher than what the peasant could afford after meeting his other commitments. We cite an example from the *Imperial Gazetteer*:

"The rates of rent in force in the five Districts of Assam proper are as follows: for basti or homestead and garden land, 6s. an acre [1s.=12as.]; for rupit or low-lying land on which the sali rice is grown, 3s. 9d. per acre; for pharinghati or high land on which aus rice and most other crops are grown, 3s. an acre."<sup>14</sup> (It is to be noted that the money-value produced by an acre of rice land is much less than that produced by an acre of tea-cultivated land.)

The unjust assessment of rent on the local cultivator of the soil side by side with a minimum assessment on the Bri-

<sup>14</sup> Imperial Gazetteer of India, vol. i, p. 364. Also see Hunter, *A Statistical Account of Assam*,

tish planter, becomes more glaring from the following note sent by the Chief Commissioner of Assam, Mr. Cotton, to the Government of India on the 24th of September, 1898:

"Forty-five years ago about one million acres were cultivated, and the revenue derived therefrom was undoubtedly very low, amounting to only Rs. 7,41,971 [in the year 1853]... In 1868-69, the land-revenue was doubled by Col. Hopkinson with a stroke of the pen, and rose to over Rs. 20,00,000. But the area under cultivation began to wane.

"... Excluding 178,000 acres of tea and 86,000 acres discovered by more accurate survey, the total increase of ordinary cultivation... between 1866 and 1898 is only 96,580 acres. *During the interval of thirty-two years from 1866 the land revenue has more than quadrupled, but the land under cultivation ... has increased by a little over 7%... [Italics mine.]*

"It is true that the people can afford to pay [!] the rents imposed on them, that the land is fertile, and that the actual assessment on it, although high—the average assessment is Rs. 2-10-0 an acre—is probably not higher than it would have been if a Zamindari Settlement had been in force....

"The rates of rent are so high as not to encourage the extension of cultivation. The districts in the Assam Valley are probably the only part in India in which the reclamation of waste-land is not encouraged by a favourable system of assessment. The same rates of rent are imposed on new land brought under cultivation as already prevail on land in the old settled area...."<sup>15</sup>

But however much the Chief Commissioner might have criticised the existing rates of rent, he was not prepared to have them lowered and thus induce tea garden labour to take up land cultivation instead of working in the tea gardens, thereby jeopardising the interests of the planter. We therefore find him making the following statement:

"I do not desire to entice coolies from the tea gardens for the cultivation of jute or rice.

"... It is the tea industry that would suffer in that event, and I have pledged myself again and again that I will be no party to any Scheme for the exploitation of the province at the cost of the tea industry."<sup>16</sup>

This letter speaks for itself and it is not necessary to make any comment. So we close our discussion on the question of land-revenue and proceed with other features of the tea industry.

<sup>15</sup> "Colonisation of Waste Lands in Assam" (1869), *Official Correspondence between the Government of India and the Chief Commissioner of Assam*, pp. 35-36.

<sup>16</sup> *Ibid.*, p. 43.

## *Chapter IV*

### DEVELOPMENT OF THE TRANSPORT SYSTEM IN ASSAM

THE transport and communications system of a country are intimately linked up with its trade and industrial needs. The growth and development of the latter cannot but accelerate the growth and development of the former.

Assam owes its importance mainly to the tea industry, next to which the Oil Company of Digboi needs mention. The success of the tea industry depended to a large extent on transport facilities. Tea is cultivated in hilly regions situated far off from the main trade centres of the country. Therefore, one of the most difficult problems that the planters had to face in their early days was lack of transport facilities. We shall see in the next chapter how the entire tea cultivation in Assam had to be carried on with emigrant labourers, 'imported' into the various tea gardens from different provinces. So long as there was no satisfactory transport system, the planters had to bear heavy expenses in conveying these labourers from different recruiting districts to the tea gardens of Assam. This was another problem which called for an urgent solution.

The purpose of the present chapter is to show how road, river and railway transport were developed in accordance with the needs of the planters.

It is indeed true that the railway system was brought into existence in India primarily to meet military needs. India as a colony had to be protected by the British imperialists against attack from other imperialist powers. But along with this, another factor was taken into consideration—the facilitating of the movement of raw materials in general.

These two factors applied equally to Assam, being a border province and a rich source of revenue from tea-cultivation. In this context therefore a chapter on transport will not be out of place. However, we are not going to discuss the entire question of the transport system in Assam as

that will not be necessary. We propose to deal only with the early phase so as to trace its link with the tea industry.

Gait in his book, *History of Assam*, writes:

"When Mill visited Assam in 1853, carts and carriages were unknown, and the roads were few and bad. In recent times [i.e. 1906] great progress has been made. A regular Public Works Department was established in the year 1868.... At the present time there are in the Province 3,970 miles of roads fit for vehicular traffic... There are also 3,353 miles of bridle-paths.

"In 1847 a steamer service on the Brahmaputra river was established by the Government, but the boats ran only at uncertain intervals and they did not proceed beyond Gauhati..."<sup>1</sup>

The reader should bear in mind that 1847 was the year in which the Assam Tea Co. was struggling hard to establish itself. From the commercial aspect, tea cultivation actually became an established and paying industry only after 1870, when tea began to come to the Calcutta market on a large scale. Therefore, the lack of transport facilities began to be felt by the planters from this period onwards and they started taking an active interest in this matter.

"Towards the end of August, 1881, an influential deputation composed of representatives of the Chamber of Commerce, British Indian Association, the Trades Association and others interested in the Tea Districts of Assam waited upon the Lieutenant Governor to urge upon His Honour the necessity of establishing railway communication with Assam." To this representation the Governor replied that a survey was being made for a line from Goalando to Dacca and Mymensing with a branch line to Naraingunj.<sup>2</sup>

On 8th August, 1881, *The Englishman* printed the following report:

"The Assam Railway Co., which has been formed to carry out concessions granted to M/s. Shaw Finlayson & Co., was launched to-day with a capital of £350,000 which was fully subscribed in a few hours."

In the same issue, the paper made the following comment on the question of establishing railway communication with Assam:

"The importance of such a scheme to the province of Assam, and especially to the great tea industry established there, make it impossible for the Government of India to regard with indifference any reasonable proposal for its realisation."

<sup>1</sup> P. 304.

<sup>2</sup> *Hindu Patriot*, April 17, 1882, Supplement, p. 6.



All these deputations and demands soon began to bear fruit. The steamer service which in 1847 plied upto Gauhati only, began to expand. In 1883, two private companies, the India General Steam Navigation Co., and the River Steam Navigation Co., with Government aid, started a daily mail-steamer service on the Brahmaputra. "This service", remarked Gait, "has gradually been improved until, at the present time, the fleet consists of large, powerful and well-equipped boats, which perform the upward journey from Goalundo to Dibrugarh in less than a week."<sup>3</sup>

A similar service was opened on the Surma River in 1887. The importance of the tea trade is seen from the fact that in 1880-81, of the total export (through river trade) of £3,585,297 from Assam to Bengal, tea alone fetched £2,828,670.<sup>4</sup>

Regarding the establishment of railways, Gait wrote:

"About 1885, two small state Railways were constructed, one in the Jorhat sub-division and the other between Thiraghat and Companygunj, but their aggregate length was only 35 miles. A more important undertaking of the same period was the Dibru-Sadiya Railway, which brings a great part of the Lackimpore district (a tea producing district) into direct communication with the Brahmaputra. It is a private line, 78 miles long and gives a good return to the shareholders."<sup>5</sup>

Another private railway, 20 miles in length, from Tezpur to Balipara, was opened in 1895. It is to be noted that railway communications were being built mainly in and around the tea-producing districts. The biggest of the projects, namely the Assam-Bengal State Railway, "runs from the port of Chittagong, through Tippera, Sylhet, and Cachar, thence across the North Cachar hills to Lumding and thence upto a point on the Dibru-Sadiya Railway. The latter section is connected with Gauhati by a branch which takes off at Lumding. The Eastern Bengal Railway has already been carried as far as Dhubri..." The total length of the A. B. Rly. in Assam was 567 miles and that of the line between Gauhati and Dhubri about 152 miles in 1906.

In 1882, the Central Government announced its policy on local self-government. Immediately afterwards, different provincial Governments (including that of Assam, which was separated from Bengal in 1876) began to formulate their respective policies on this matter within the broad framework of the Central Government's directive. It will be

<sup>3</sup> Op. cit.

<sup>4</sup> Imperial Gazetteer, vol. i, p. 367.

<sup>5</sup> Op. cit., p. 340

interesting to study the views of the Assam Government in this connection.

"The planters' interests", says the Chief Commissioner's Report, "lie in the improvement of Communications and the cheapening of labour by the spread of colonisation. These are equally the interest of the Government. If... they are less interested in the spread of education, it may be admitted that the extension of roads, railways, and steamer services, the building of bridges, and the reclamation of wastes, are more pressing needs of the province than even the extension of our system of public instruction. Education will come of itself with populations and wealth, and the latter will be served by the policy which has hitherto been followed of enlisting the aid of tea-planters in developing their districts."

Seventy years have passed since this Report was drawn up, and yet, what benefits have the people of Assam got out of this policy during this period? Not more than 7% of the people are educated. The plantation worker remains as before, serving his foreign master without himself deriving benefit from his own labour. If we study closely the present transport system of Assam we will see that the whole system has been constructed to help the exploiting class at the cost of the ordinary people. In spite of a scanty population and fertile soil, Assam has to import food. There is no shortage of fertile waste lands even to-day, the planting companies themselves holding lacs of acres of land which remain uncultivated.

But the plan laid down by the Chief Commissioner 76 years back has succeeded well. The European planters have derived immense benefit from the development of the transport and communications system. It has enabled them to import labour and export tea at cheap rates and has thereby increased their rate of profit.

## *Chapter V*

### SECOND PHASE (1870-1945)

WE saw in a previous chapter that though cultivation of tea was started vigorously by a number of British companies in the decade 1850-60, its basis, during that period, was rather shaky. Tea planters, in their rush to make quick money, relied more on the speculative rather than the commercial aspect of tea cultivation. This short-term policy along with the monetary crisis in the London Market, brought about the collapse in the tea industry in 1863-65.

It was only after this crash that the tea industry was placed on a sound economic footing. All the mushroom companies which depended on speculation for their existence wound up their business during the crash. From then onwards, the industry passed into the hands of genuine companies, capable of tackling the industry from a long-term point of view and ready to invest enough money for this purpose. (The report of the Tea Commissioner greatly helped them in this task.)

This new turn came after 1868, coinciding with a 'new phase' in Great Britain's foreign investment—the period when export of British capital to the colonies started on a gigantic scale. This period, with 1874 as the starting date, "marks a change of attitude, for, with the increasing need of markets for our ever-growing production, of outlets for a too rapidly accumulating capital, of more and more raw material, especially such as grows in tropical lands, came a desire to link together under our control still greater portions of the earth's surface."<sup>1</sup>

The home market was getting saturated and capital was not bringing enough profits. On the other hand, the colonies, particularly India, afforded ideal facilities for capital to be invested for a good return. Here the Government itself was prepared to stand as security for any capital invested in the building-up of railways. "It will cause neither pain nor astonishment to say that Englishmen who invested in India intended to profit by the act, and to profit

<sup>1</sup> Waters, C. M., *The Economic Development of England and the Colonies (1874-1914)*, p. 97.

more largely than they could have done under the same conditions at home.”<sup>2</sup>

The opening up of the Suez Canal in 1869 was another factor responsible for drawing the attention of British capital to India. “The canal with a greater economy of time saved interest on capital invested in the goods in transition and made for a quicker turnover... In 1883 we find that wheat and tea were going through the canal in considerable quantities.”<sup>3</sup>

As a result of these factors, we find that British capital began to flow into India on a large scale. This process has been well described by Jenks:

“The most important characteristic of an investment is that it contemplates a profit. The outstanding feature of a foreign investment is the income it is expected to bring home. English politicians had promised English businessmen an income on behalf of the Indian ryot. And drawing hope largely from the promise, something like one hundred and fifty million pounds of British Capital were invested in India between 1854 and 1869. Capital continued to move to India at the rate of about five million pounds a year during the seventies... About seventy-five millions went into railways by 1870,... An estimated amount of twenty millions had been ventured upon private account in tea plantations, jute mills, banks...”<sup>4</sup>

Hence we find rapid development of railways, irrigation works and other industries like jute, mining, plantations etc. taking place during this period.

This is the general economic background in which the tea industry received its first fillip. We shall now give a brief account of its progress since 1870.

### (1) *Increase in acreage under tea cultivation.*<sup>5</sup>

Table 1  
ACREAGE UNDER TEA (1880-1900)

Year	Area under tea cultivation (acres)	
	<i>In Assam</i>	<i>All-India</i>
1880	153,657	
1885	197,510	284,000
1896	291,909	433,113
1900	337,327	

<sup>2</sup> Jenks, L. H., *Migration of British Capital*, p. 226.

<sup>3</sup> Knowles, L. C. A., *Economic Development of the British Overseas Empire*, vol. i, pp. 316-17.

<sup>4</sup> Jenks, op. cit., p. 225.

<sup>5</sup> *Annual Reports on Labour Immigration into Assam for the respective years.*

(2) *Increase in production of tea:*

This will best be seen from the fact that "in 1866 no less than 96% of the tea imported into U.K., came from China and only 4% from India but in 1886, only 59% came from China, while India supplied 38%. In 1903, the imports of China tea had fallen to 10%, compared with 59% of India."<sup>6</sup>

The following table shows the increase in production:<sup>7</sup>

Table 2  
INCREASE IN TEA PRODUCTION (1895-96)

Year	All-India Production (lb.)
1885	75,000,000
1896	156,000,000

(3) *Growth of the labour force in Assam tea gardens:*<sup>8</sup>

Table 3  
LABOUR FORCE IN TEA GARDENS (1877-1900)

Year	Total number of workers
1877	135,807
1880	184,104
1886	301,349
1890	406,089
1900	664,897

(4) *Increase of Capital:*

Gow, Wilson and Stanton (tea share-brokers), in their compilation, *Tea Companies in India and Ceylon* gave the following analysis of the Sterling tea companies and their working for the year 1895:

Number of companies	56
Area under tea (acres)	152,547
Paid-up capital	£6,907,000
Crop produced (lbs.)	58,476,182
Total profit earned	£ 538,349
Profit on capital employed	£7-15-7d.%

<sup>6</sup> Gait, E., *History of Assam*, p. 351. See also Anstey, V., *Economic Development of India*, p. 286.

<sup>7</sup> *Cultivation of Tea in India (1895-96)*.

<sup>8</sup> *Annual Reports on Labour Immigration into Assam for the respective years*.

The journal, *Production of Tea in India*, reported that the total capital invested in joint-stock tea companies in 1900 was about Rs. 160,000,000, of which Rs. 138,075,000 or £9,205,000 was registered in London and the rest, i.e. Rs. 20,169,000, in India.

We thus see how rapidly the tea industry was growing directly under the control of British capital. Most of the tea produced however was exported to the U.K., India consuming a very small fraction, as will be seen from the following table:<sup>9</sup>

Table 4  
TEA CONSUMED IN THE U.K. (1868-96)

Year	China & others (lbs.)	%age	Indian (lbs.)	%age
1868	99,339,000	93	7,746,000	7
1885	113,514,000	62	65,678,000	36
1896	24,549,936	11	122,941,098	54

In this connection, it is worth noting the brokers' remarks on the working of the tea companies:

"Satisfactory features, from an investor's point of view, concerning Tea Companies are—

"(1) That though so numerous, the companies have been seldom saddled with the modern style of extravagant promotion expenses.

"(2) That with scarcely an exception, the Companies are controlled and directed by businessmen, either with a practical knowledge of Tea planting, or connected in some manner or other with the trade.

"It is largely in consequence of this that in recent years we have had economies in working and concentration of management. The industry, too, has benefited from greater facilities of transport and reduced freight rates."

But this optimism was soon to give way to dismay among owners of tea gardens. The demand for tea fell far short of the rapid increase in production towards the beginning of the next century and a crisis of overproduction set in, bringing about a rapid fall in the prices of tea. As early as 1896, the annual report, *The Cultivation of Tea in India* wrote:

"The production has increased in past 12 years in much greater ratio than the area under cultivation, for while the area has increased by 52%, the production increased by 118%."

<sup>9</sup> *Production of Tea in India* (1900-04).

In 1896 tea production stood at 156,025,674 lbs. of which export to the U.K. amounted to 135,456,884 lbs., i.e. about 96%, while India consumed about 5½ million lbs.<sup>10</sup>

By 1900, production reached the figure of 197,460,664 lbs, there being no substantial increase either in the export to the U.K. or in internal consumption. This crisis was but the beginning of the first cycle of depression, an inevitable feature in capitalist economy. The next cycle was to come soon after the end of the first world war. In between these two periods of depression and particularly towards the end of the war, the tea companies made enormous profits and were therefore in a position to tide over the post-war crisis.

By 1914, the total capital in the tea industry had increased to about Rs. 30 crores of which Rs. 4,30,56,603 was registered in India and Rs. 25,92,65,220 (or £17,284,348) in London.<sup>11</sup>

Of the 98 companies registered in India which had an aggregate paid-up capital of Rs. 301 lakhs, 91 companies declared dividends for 1913 amounting to 17.7% on the aggregate capital of 282 lakhs, 36 companies declared dividends for 1914 amounting to 15.6% on their aggregate capital of 260 lakhs. The value per Rs. 100 of joint-stock capital as calculated from the prices of the shares of 92 companies quoted on the Calcutta Stock Exchange was Rs. 166 in March 1914 and Rs. 181 in March 1915, for 95 companies.

Similar details are available regarding 68 companies registered in the U.K., with Sterling capital of £10.4 millions (Rs. 1,563 lakhs). The total dividends declared in 1913 by 65 of the 68 companies, with an aggregate capital of £10.2 millions (about Rs. 1,526 lakhs), amounted to 13.3%. By 1914 the dividends declared by 42 companies came to 8.4% on their aggregate capital above £8.7 millions.<sup>12</sup>

### *Prices*

Before proceeding further, it will be interesting to examine the fluctuations in the prices of tea.

"Prices in Calcutta have fluctuated greatly since 1873. Taking the price in March 1873 to be represented by 100, it appears that until 1885, the level was well above that point, varying from 110 to 148. In that year coincidentally with the great fall in exchange and general prices, the level fell to 90, and a low level was maintained in the following years until 1895 when there was a rise again to a high level (97). In the last two years there has been a further decline in price."<sup>13</sup>

<sup>10</sup> Cultivation of Tea in India (1895-96), p. 2.

<sup>11</sup> Production of Tea in India (1914).

<sup>12</sup> Ibid.

<sup>13</sup> Cultivation of Tea in India (1895-96).

On careful analysis it will be found that the fall in prices, as stated in the above report, did not mean any loss to the tea companies. Rather, they gained by it because up to 1871, ten rupees of Indian money exchanged for an English pound sterling. The value of the rupee began to fall from 1873, so much so that in 1893, it exchanged for only a fraction of a penny over a shilling.<sup>14</sup> Therefore, whereas the price fell from 100 to 90 only in the course of twenty-two years from 1873, the value of the rupee fell by almost half during the same period and this gave a high margin of profit. This is also proved by the analysis of the working of the different British companies during the year 1895-96, made by Gow, Wilson and Stanton. It is seen from their report that most of the Sterling companies paid a bonus, on an average, of over 6%.

Again, taking the price in 1901-02 to be represented by 100, we find the following variations in prices up to 1918:

*Table 5*  
TEA PRICES (1901-19)

<i>Year</i>	<i>Price Index</i>
1901-02	100
1910-11	100
1916-17	144
1917-18	121
1918-19	133

(During 1914-19, "the rupee rose in value and was worth 2s. in September, 1919 and 2s. 4d. in December, 1919.")<sup>15</sup>

Comparing the figures for export and total production, it will be seen that about 90% of tea produced was exported to the U.K. This dependence on one single foreign market exclusively at the cost of the local one was inevitable because of the peculiar relation between the U.K. and India, the former thriving at the expense of the latter. Thanks to foreign domination and exploitation, the slender purse of an average Indian consumer hardly permitted him to drink tea frequently at the existing prices. Local consumption therefore was very limited. On the other hand, the producers were not prepared to reduce prices (and thus increase sale in the local market), because better terms were available in the foreign market. So here was an industry, employing Indian labour and thriving on Indian soil,



helped and encouraged in all possible ways by the Government, only for the benefit of the U.K. The profits earned were also not utilised for the industrial development of India but were sent back to the country where the capital came from. We will show in a subsequent chapter how though production (and with it profit and capital) increased consistently from year to year, the poor labourer has always had to live in a state of eternal poverty and misery.

The table below shows the increase in capital in the tea industry after the first World War.<sup>16</sup>

*Table 6*  
CAPITAL IN THE TEA INDUSTRY (1919-38)

<i>Year</i>	<i>Total Capital Invested (Rs.)</i>	<i>Registered in U.K.</i>	<i>Registered in India (Rs.)</i>
1919	34,00,00,000	£18,259,269	6,80,13,933
1920	35,00,00,000	Rs. 27,26,15,250*	7,41,26,702
1928	48,00,00,000	Rs. 36,00,00,000	12,00,00,000
1930	53,43,86,000	£30,168,000**	13,21,41,000
1938	49,87,90,000	£27,638,000	13,02,83,000

£1 : Rs. 15    \*\* Re. 1 : 1s. 6d.

Of the 128 Companies incorporated in India in 1919, 71 declared dividends of 20% on the aggregate capital of 221 lakhs. In 1927, 123 Companies registered in India with a total capital of Rs. 4.53 crores declared aggregate dividends of 32% and 95 Companies with an aggregate capital of Rs. 3.32 crores (in India) declared dividends of 23%. In 1929, of the 137 Companies with an aggregate capital of Rs. 5 crores, 75 declared dividends of 21%. In 1930, 57 Companies declared dividends of 15% on their aggregate capital of Rs. 4.88 crores.

For comparison we give below the price indices for the same period.<sup>17</sup>

<sup>16</sup> Indian Tea Statistics (J. Thomas & Co. Ltd.) for the respective years.

<sup>17</sup> Ibid.

Table 7

## PRICE INDICES (1920-40)

(Prices in 1910=100)

Year	Price Index
1920	85
1930	156
1939-40	167

The total production in 1930 was 391,081,000 lbs. of which 360,000,000 lbs. were exported; in 1938, the corresponding figures were 457,861,000 and 360,000,000 respectively.

*Tea Propaganda*

In a period in which competition gives rise to monopoly, it is very common for any industry or business enterprise to take the help of advertisement and propaganda in order to increase sales. There is nothing new in this. In the case of the tea industry, however, a different procedure is adopted for this purpose. The Companies were not prepared to spend any money from their own earnings, as is the normal practice, in order to carry on the propaganda. Instead, they induced Government to impose a tax on the tea produced for export. The amount collected thus was spent for advertisements and propaganda. Accordingly, in 1903, the "benevolent" Government of India—who were always eager to help the tea producers—passed an Act (Act IX of 1903), known as the Indian Tea Cess Act, imposing a duty of  $\frac{1}{2}$  pie per pound on all tea exports. The entire revenue was made over to a fund known as the "Tea Cess Fund", placed in the hands of a Committee appointed by the Government in consultation with the tea producers.<sup>18</sup>

On this point Dewan Chaman Lal made an apt comment, which is worth noting:

"This was a case in which a flourishing industry, instead of utilising a portion of the enormous dividends earned by it for furthering production and marketing of tea, has, by means of the assistance given to it by the Government, been able to conserve its entire profits and pass on the burden of the funds necessary for carrying on propaganda, to the average consumer. As to what moral justification the Government had in assenting

<sup>18</sup> Production of Tea in India (1914). See also Report of the Ad Hoc Committee on Tea (1950), p. 6, and India Acts (1903), Act IX of 1903.

to such an imposition upon the consumer, is a question which requires no answer."<sup>19</sup>

### *The International Tea Regulation Scheme*

For the Tea Companies, the general economic crisis of 1929 brought to an end the glorious days of 1925-28. From 1930, supply began, by far, to exceed demand, so much so, that in 1932, production became almost unremunerative. This was inevitable because the higher price rates of 1927 led the tea companies to bring more land under cultivation, the result being that more tea was brought to the market in subsequent years. Thus, in 1929 and 1930, the amounts of tea produced were 432,842,000 lbs. and 391,081,000 lbs. respectively, whereas the amount exported in 1930-31 was 360,000,000 lbs.<sup>20</sup>

As a result of the crisis in the capitalist countries, the purchasing capacity of the majority of the consumers gradually sank; lakhs of workers lost their jobs and in Great Britain, the chief consumer of Indian tea, there were over two million unemployed.

The first attempt at restricting production, in order to maintain high prices of tea, was made during the period 1900-03. The same procedure was followed during the period in question. Thus, whereas the production in 1930 was restricted (it was less than that in 1929), the price index stood at 156 (base 1901-02 = 100). The average wage of the tea garden worker fell sharply in 1929-30 from what he was getting during all the preceding years since the end of the war.

Negotiations were started in 1930 between the tea producers of India, Ceylon and the Netherlands East Indies, to devise ways and means of overcoming the crisis. They culminated in 1933 with the signing of the First International Tea Agreement and in the formation of an International Tea Committee to "operate and administer the Tea Control Scheme".

"The First International Tea Agreement was for a period of 5 years, from the 1st April, 1933, and initially confined to India, Ceylon and the Netherlands East Indies. The basic object of the Scheme was the maintenance of the equilibrium between supply and demand and the main provisions of the First International Tea Agreement were those regulating the export of tea from, and the planting of tea in the three participating countries."<sup>21</sup>

<sup>19</sup> Chaman Lal, D., *The Cooly*, vol. ii, p. 5.

<sup>20</sup> *Indian Tea Statistics (1929-43)*.

<sup>21</sup> *Report of the Ad Hoc Committee*, p. 8. See also *Report of the International Tea Committee (1935-36)*, p. 36.

The Agreement fixed a strictly limited export quota for each participating country. It was also decided that tea cultivating areas were not to be extended during the next five years. Thus by means of a joint drive, the world supply and consequently the price of tea were artificially fixed. Moreover, the International Tea Committee also decided to effectively control tea propaganda, which had hitherto been carried on by individual tea-producing countries through their own respective machineries. In 1935, the International Tea Market Expansion Board was formed in London, at the recommendation of the I.T.C., "to supplement the work of the three producing countries by carrying out propaganda on behalf of tea generally in all other markets of the World." The name of the Indian Tea Cess Committee was accordingly changed to Indian Tea Market Expansion Board in 1937 and it came under the supervision of the parent body. The importance of Indian tea producers (mainly British concerns) can be seen from the fact that out of 82 members having the right of voting in the International Tea Market Expansion Board, India alone had a quota of 34.

Coming back to the International Tea Agreement, we find that its recommendations were approved by the three member-countries. The Government of India accordingly passed the Indian Tea Control Act in 1933 which provided for the setting up of a body known as the Indian Tea Licensing Committee, "to exercise control over the export of tea from and the planting of tea in India, in accordance with the provisions of the Act."<sup>22</sup> The Licensing Committee consisted "entirely of representatives of tea producers in India." The Government were to help them but not to keep any control over them.

The Tea Agreement was due to expire on 31st March, 1938, but the producers decided not to end the agreement and so in 1936 signed a fresh contract for a further period of 5 years; the Government of India passing another act, the Indian Tea Control Act, in 1938, ratifying the above agreement, for a period of five years."<sup>23</sup>

Before the second agreement expired, the Netherlands East Indies went out of the picture due to the Japanese over-running the territory. This created a great shortage in the world supply of tea and as, with their existing quotas, the other tea-producing countries could not cope with the total demand, the International Tea Committee increased the respective quotas by 125%. Prices also went up and thus the tea companies were able to make enormous profits.

<sup>22</sup> India Acts (1933), Act XXIV.

<sup>23</sup> India Acts (1938), Act VII.

In 1943, the agreement was extended upto 1948 when another interim agreement for two years, i.e. upto 1950, was signed, on almost the same lines as before. The amount to be exported was fixed at 125% of the pre-war quota and an extension of cultivable area was granted because there was still a very good demand for tea. To help the tea producers in India to utilise the world demand, the Government of India fixed the export allotment for 1948-49 at 435 million lbs—the maximum permissible under the Interim Agreement. But during this period, Indonesia was reviving her tea industry and so it was feared that in a few years, when she was again in a position to resume her normal exports, there would be another crisis of over-production. Hence, to prevent this danger, the International Tea Agreement was again renewed in March, 1950, for a further period of 5 years, and the export quota was increased to 130%. An extension in cultivable area was also granted.

### *Central Tea Board*

By the Central Tea Board Act (Act XIII) of 1949, the Indian Tea Market Expansion Board was replaced by a new board, the Central Tea Board. There was no difference between the old and the new boards, except that, in the latter case, the Government were to nominate a few members on the Board. But this was done not with a view to helping the consumers but to cooperate with the producers to solve "their problems". Mr. K. C. Neogy, the then Minister of Commerce, Government of India, inaugurating the new Board in Calcutta on August 1st, 1949, said:

"I know that there are many difficulties to be surmounted . . . and the Government are prepared to do the utmost they can to assist the industry to overcome [them] . . . I should like to allay any apprehension which may have been caused by the weight of official representation on the Central Tea Board . . . I should like to give a definite assurance in this connection that the development of tea industry will continue to be primarily the responsibility of the industry itself, and that Government have no intention of interfering with its normal activities."<sup>24</sup>

This assurance was given in spite of the fact that the tea industry is almost entirely in the hands of British capitalists, and that it is not run in the interests of the Indian people. The Finance Minister shed tears over the rise in wages of the labourers (how far this rise is real, will be seen later on) but

did not see that the rising cost of living was compelling more and more people to lower their already appalling standard of living.

Before closing this chapter, it is necessary to deal with certain specific questions which are peculiar to the tea industry alone.

### *Broking Firms and Tea Auctions*

Ever since the beginning of the industry, tea sales have been made in auctions which are held both at London and Calcutta. The U.K. being the biggest single consumer of Indian tea, and the latter being mostly in the hands of London firms, it is not surprising that the major auctions were held in London (upto the outbreak of the Second World War), and Calcutta played the role of second fiddle.

In order to safeguard the interests of the tea traders (mainly British) in Calcutta, the Calcutta Tea Brokers' Association and the Calcutta Tea Traders' Association (consisting of buyers, sellers and brokers—all British concerns) were formed in the 1880's.

The chief functions of the tea brokers are "Sampling, inspecting, tasting and valuing, and the holding of auctions in Calcutta." The brokers are responsible to a large extent for the warehousing of tea at Calcutta. Generally, the financing of tea companies is done by loans on both block and crop accounts. "Loans on block account are set against capital expenditure either for the repayment of previous loans or for the expansion of machinery or plantation. Loans on Crop account are short-term loans set against recurring expenditure."<sup>25</sup> The tea companies cannot function without these loans which are advanced by managing agents, bankers or by the tea brokers through agents on hypothecation of the crop.

Besides all these functions, brokers also have direct control over some of the tea-producing companies, by virtue of their holding major shares of these companies. At present there are four British broking firms in Calcutta who entirely control the Calcutta market. These are: J. Thomas & Co., Ltd.; Cresswell & Co., Ltd.; Carritt Moran & Co., Ltd.; Figgis & Co., Ltd. (Only recently an Indian firm, Sudhir Chatterjee & Co., Ltd., has been added to this list.)

A short time after the outbreak of the second world war, in 1940, the U.K. Government decided to discontinue the practice of importing tea into Britain through purchase in the London Auctions and, instead, adopted a new system of

<sup>25</sup> Report of the Ad Hoc Committee, p. 76.

*bulk purchase of tea in Calcutta and other tea-producing centres. The procedure for this purpose was to fix up the price of a certain quantity of tea by negotiations with the Government of the producing country. In the case of India, the Tea Controller for India himself used to carry on negotiations and sign contracts on behalf of the U.K. Ministry of Food. The price for the bulk to be purchased in a certain year was fixed on the basis of the average price offered at sales during the years 1936, 1937 and 1938, "only the tea sold in the United Kingdom or tea sold with export rights in India being taken into account in arriving at the average price."*<sup>26</sup> To this price, of course, an addition was made each year on account of increased cost of production.

As a result of this system, the price of tea ceased to be a matter of normal supply and demand, and India was thus compelled to sell at a price much lower than the existing market price.

<sup>26</sup> *Ibid.*, p. 62.

## Chapter VI

### THE TEA INDUSTRY IN THE POST-WAR PERIOD

THE most notable effect of the war on the tea industry as a whole was the exit of Indonesia from the world tea market. Having been overrun by the Japanese during the war, the tea industry there had almost totally collapsed. Whatever was left was utilised by the Japanese, Western countries being totally deprived of their supplies from Indonesia. As a result, the world supply suddenly fell after 1942, thus creating an ideal opportunity for the tea-producing companies of other countries to reap a rich harvest. The market, from then on, was to be sellers' market.

The gap that was created by Indonesia's exit from the world tea market will be seen from the following table:

Table 8

#### TEA PRODUCTION IN INDONESIA (1939-51)<sup>1</sup>

(in million lbs.)

1939	183.6	1946	(not available)
1942	57.6	1949	60.1
1943	(not available)	1950	77.7
1944	10.3	1951	101.5
1945	(not available)		

We have seen earlier that the annual production of a country operating within the International Tea Agreement was strictly fixed, whereas, since 1942, the world supply fell far short of the demand. It was, therefore, obvious that under such market conditions, control of production would not help the tea companies and the International Tea Committee decided to increase the quotas of production and export of each of its member countries. Accordingly, India's

<sup>1</sup> Tea Statistics.



production rose rapidly, as also her exports, as shown by the following table:

Table 9

INDIAN TEA PRODUCTION AND EXPORTS (1939-51)<sup>2</sup>  
(in million lbs.)

<i>Year</i>	<i>Total Production</i>	<i>Total Exports</i>	<i>Exports to U.K.</i>
1939	462	397.5	232.8
1940	467.50	405.5	241.2
1941	499.75	436.6	264.4
1942	578.75	291.4	224.5
1947	600.75	440.3	264.1
1948	605	486.7	296.5
1949	624	530.6	338.5
1950	658.25	462.2	257.1
1951	678	499.5	310.9

In order to arrive at a better understanding of the position of the industry, we should study the above table along with the variation in the price indices as given below:

Table 10

PRICE OF INDIAN TEAS (1938-51)<sup>3</sup>

<i>Year</i>	<i>Average price per lb.</i>	
	<i>For export</i>	<i>For internal market</i>
	<i>Rs. As. P.</i>	<i>Rs. As. P.</i>
1938-39	0- 9- 7	0- 4- 0
1939-40	0-11- 5	0- 4- 4
1940-41	0-13- 6	0- 4- 1
1941-42	1- 0- 9	0- 7- 4
1946-47	1- 9-10	1- 4- 5
1947-48	1- 9- 1	1- 2- 8
1950-51	2- 0- 9	1- 7- 5

The London Auctions having been temporarily suspended, the entire production of North Indian tea meant for export, was sent directly to the Calcutta Auctions, thereby further increasing the importance of the tea broking firms.

The Bulk Purchasing System was however abolished in 1951 and regular normal trading was restored in April 1952,

leading to the reopening of the London Auctions. Accordingly, a part of India's tea allotted for export, was sent directly to the London market for auctioning, as was the practice before the war.

This had been a long-standing demand of the tea producers because the war-time system was hampering their normal peace-time trading activities. But before they could express satisfaction on the resumption of the London Auctions, some serious difficulties began to crop up in the industry. From September 1951 onwards, prices of Indian teas began to fall sharply. This will be seen from the following table:

Table 11  
PRICES IN EXPORT SALES<sup>4</sup>

Details	1951-52	1950-51
	Sale No. 40 31-3-52	Sale No. 38 2-4-51
	Rs. as. ps.	Rs. as.ps.
Darjeeling	1- 3-11	2- 0- 1
Dooars	0-13- 6	1-10-11
Terai	0-11- 5	1- 9- 7
Tripura	0-10- 2	1- 8- 2
Assam	1- 6- 8	1-14- 6
Cachar	0-14- 3	1-11- 5
(Sale No. 39)		

Along with a fall in prices, another factor, more important from a long-term point of view, viz., the question of over-production, is gradually becoming more and more serious. Indonesia has been steadily recovering from the devastating effects of the war and her production has rapidly increased. In a few years' time she will be able to reach her normal pre-war level of production. So also is the case with Japan. Though the recent decision of the U.K. Government to increase the weekly tea ration by  $\frac{1}{2}$  oz. (from August 1952), and her promise to do away with rationing altogether in the near future, will necessarily create more demand for tea, the crisis of over-production will persist.

<sup>4</sup> Memorandum of the A.T.P.A. and A.B.I.T.P.A. to the Prime Minister of India. See *Tea*, April 1952.

Before analysing the causes of the two factors, viz. over-production and fall in prices, let us note what the various parties interested in the production or cultivation of tea have to say on these points and what solutions they recommend.

According to the Tea-Planters' (ATPA and ABITPA<sup>5</sup>) Memorandum to the Prime Minister, the industry is experiencing great difficulty not only in procuring money for capital expenses, but also for working expenses. "Certain Banks have already curtailed drastically the limit of advances on Crop Hypothecation Account for the current season." With regard to fall in prices, they say, "the precipitous fall in the tea prices appears more artificial than natural and cannot be attributed mainly to the recent general slump in as much as tea prices began to decline even from September, 1951."<sup>6</sup>

Then we have the Memorandum sent to the Ministry of Commerce and Industry on 7th April, 1952, by the Bengal National Chamber of Commerce:

"They [the B.N.C. of Commerce] have been informed," runs the memorandum, "that the decline in export prices, which started at the end of September last, had been, by February this year, 26.5% for Assam, 29.3% for Cachar, 30.3% for Darjeeling, 17% for Terai, 31% for Dooars and 29.3% for Tripura... They have further been informed that the prices in the internal market have also been similarly affected"... , and that the decline in price has been due to the fact that U.K., the monopoly purchaser, is dictating price, trying to establish London as the World Centre of tea market". Further, "Calcutta Auctions were being overloaded by interested parties to bring in an artificial fall in prices and thereby hinder the growth of Calcutta as a world centre of Tea...."<sup>7</sup>

It is interesting to note the subsequent story as given by the above Memorandum:

"It has been reported that, in the first nine months of 1951, the total offerings were 12,26,310 packages, against 7,72,189 packages in the corresponding period of 1950... Notwithstanding this heavy offering, the export from Calcutta Port during April-October, fell short of that of the corresponding period of 1950 by about 25 million lbs. It has been further reported that some teas which were in fact destined for London, were dumped into Calcutta Auctions, and then withdrawn. In the circumstances, a slash in prices was only inevitable... Prices in London Auction for medium quality tea being higher

<sup>5</sup> Assam Tea Planters Association and Assam-Bengal Indian Tea Planters Association respectively. These are associations of Indian tea producers.

<sup>6</sup> Tea, April, 1952.

<sup>7</sup> Ibid.

(mainly due to withdrawal of subsidy) than those of the Calcutta Auctions by about 5 as. to 6 as., all medium quality tea had been and is being drawn from the latter auctions, leaving only the bottom and top grade here, which has further deteriorated the situation...."

Sjt. B. C. Ghosh in his speech as Chairman of the Indian Tea Planters' Association stated:

"The small Indian Tea Estates who lack finance from the Industrial Finance Corporation and who have not been able to build up a suitable factory and install suitable machinery therein, cannot but produce lower type of tea and for them to improve the quality upto the standard as wanted in a discriminating market without affecting the production to a great extent, is impossible."

He then suggests that the following steps be taken immediately by the Government:

- (1) Export Duty of 4 as. per lb. and Excise Cess of 3 as. per lb. on tea should be altogether abolished.
- (2) Rate of Cess (for Central Tea Board) should be reduced from Rs. 2/- per lb. to Rs. 1/6/-.
- (3) Coal should be sent directly to the gardens from Ranigunj by railway, instead of the present system of break-up transport by rail, then by steamer, through Pakistan, and then again by rail to their destinations. This would reduce charges paid for coal.

Messrs. Carritt Moran & Co., Ltd., a leading British tea broking firm, in their analysis of the present situation, conclude thus:

"There still appears to be a shortage of good tea.... For the good of the industry as a whole, this may not be a bad thing. Far too much tea has been finding its way into the auctions which would have been unacceptable by pre-war standards, and which is below the standard manufactured by some other countries to-day...."

On the question of over-production, they believe that, "there is still one factor which may cause a temporary shortage in the world's supply. Should rationing be withdrawn in the U.K. it is estimated that there may be demand for a further 70 million lbs. This would have the effect of once more creating a sellers' market...." But at the same time, they find that the production would increase more than the demand, next year. Thus they state that, "Turning to the world tea position for the season 1952-53, it seems likely that there will be more than sufficient tea to meet all requirements according to the following estimates:"

Table 12

ESTIMATED TEA PRODUCTION AND ABSORPTION  
(1952-53)

<i>Estimated World production</i> (in million lbs.)		<i>Estimated absorption for 1952 in</i> <i>the following countries</i> (in million lbs.)	
India	615	U.K.	464
Pakistan	53	Rest of Europe	70
Ceylon	320	North America	140
Indonesia	95	Latin America	10
S. Africa	35	Asia	60
Export from Far Eastern Countries	70	Africa	110
		Oceania	70
Total:	1,188	Total:	924
Deduct for total internal consumption in these countries	200	(Subtracting estimated absorption from estimated production, we find an excess of 64 million lbs. of tea left over.)	
Total left for export	988		

The firm thus estimates that there will be a surplus of 64 million lbs. but believes that "This surplus, however, might be taken up should the U.K. abolish rationing".<sup>8</sup>

On the same problems, *Capital*, the leading organ of British capital in India, writes:

"The latest monthly statistical summary issued by the International Tea Committee, read together with reports from tea auctions both in this country and abroad, confirms the forecast made in *Capital* two months ago that marketing problems were returning to the Indian industry more quickly than many people thought. Briefly stated, the facts are that output is increasing rapidly, consumption is expanding only slowly, prices have fallen and costs are rigid.... The disappearance of the post-war sellers' market raises the question of India's position in relation to the other producing countries taken as her competitors....

"Last year Indian shipments to the United States and Canada fell off at the same time as the Australians and New Zealanders re-asserted their pre-war preference for Ceylonese and Indonesian leaf. As a consequence, India's dependence on her principal customer, the United Kingdom, was magnified still further...."

In the background of these problems, *Capital* suggests that the following steps should be taken to overcome the crisis:

"Firstly it is essential for the smooth transition to decontrol in Britain that adequate imports of tea are available.... Next, it is essential that the price of tea offered to the consumer in the United Kingdom should not be higher, for the same quality, than it was last year.... Finally, the restoration of the free market in Britain will mean that quality becomes more important than it has been for the past decade....

"Apart from reduction in the excise and export duties, a lower price for tea in overseas markets depends on lower production costs on the gardens".

From all these reports and memorandums, one central point emerges, viz., the cost of production has gone up on the one hand, while the price of tea has fallen, on the other. So far as the question of over-production is concerned, it seems that the producers do not consider this factor to be an immediate danger, because there is still shortage of tea in the world market. However, even in such a market, Indian tea may not necessarily command sufficient demand unless the price can be fixed at a competitive level.

To solve the present crisis, therefore, all the producers are unanimous in demanding that they should be allowed to make a drastic cut in cost of production. This they cannot do unless the Government acts in accordance with their wishes. According to the producers, "the ways in which Government can assist the tea industry in India to adjust itself to the requirements of the new era, concern food supplies, transport, labour legislation and tea chests—leaving aside the question of the export duty."<sup>9</sup>

Along with this, we are reminded that "an industry can bear certain burdens when it fears no competition and has an assured market, but cannot bear anything like the same burdens when it must maintain its hold over its customers in the face of strong competition by reducing prices and improving quality. This is the position of the Indian tea industry to-day."<sup>10</sup>

Let us examine the points put forward by the above-quoted article. The producers claim that labour charges have enormously increased. This along with the loss which they have to bear for selling rations at "concessional" rates to the garden workers, forms the major item towards increased cost of production. They claim that at the moment, the workers are enjoying undue advantages in all respects, specially with regard to their total emoluments.

But what is the real position with regard to the wage-rates prevailing at the moment?

<sup>9</sup> Capital, May 1, 1952, p. 601.

<sup>10</sup> Ibid., p. 602.

Since 1947, there has been an increase in the labourers' wage-rates, but not to the extent the producers want us to believe. In the First Tripartite Labour Conference held in Delhi in 1947, the following wage-rates were fixed.

Table 13  
DAILY WAGE-RATES (1947)

	<i>In Assam Valley</i>			<i>In Cachar</i>		
	<i>Basic wages</i>	<i>D.A.</i>	<i>Total</i>	<i>Basic wages</i>	<i>D.A.</i>	<i>Total</i>
Adult males	8 as.	2 as.	10 as.	7 as.	2 as.	9 as.
Adult females	6 as.	2 as.	8 as.	6 as.	2 as.	8 as.

Another increment took place in 1948 and wages were fixed in the following manner:-

Table 14  
TOTAL DAILY WAGE (INCLUDING D. A.) (1948)

	<i>Assam Valley</i>	<i>Cachar</i>	<i>Surma Valley</i>
Male	14 as.	12 as.	13 as.
Female	12 as.	11 as.	11 as.

(There was no increment in the basic wage, only the dearness allowance was increased by 3 annas.)

Subsequently, the Government of Assam passed orders on 11-3-52 (the Government of Bengal passed an identical order a year before), increasing the basic wages, so that the total daily wages for Assam Valley and Cachar would be Rs. 1-2, and 15 as. respectively for men and Rs. 1-1, and 14 as. respectively for women workers.

From these figures we find that since 1947, the average total cash wage has increased by 10 as. at the most, whereas during the same period, the price of tea has increased from Rs. 1-9-1 per lb. (in 1947-48), to 2-0-9 (in 1950-51) for export tea and from Rs. 1-2-8 to Rs. 1-7-5 for tea in the internal market. Along with the increase in price, there has also been a great increase in the quantity of tea sold through exports. Thus whereas in 1946-47, the amount exported was 117,696 chests, in 1950-51, it increased to 1,579,094 chests, i.e. **more** than ten times.<sup>11</sup>

<sup>11</sup> Tea Statistics for 1952.

It should be remembered that during the period under reference, there was no substantial increase either in the amount of land under tea cultivation or in the number of workers employed. That means the same number of workers were made to produce ten times more tea, which could only be made possible by increasing their workload. Therefore, it will be wrong to say that the workers are getting more wages. In terms of real wage, there has not been any substantial increment in the wage-rates.

In this analysis, we assume that the worker earns the full wage sanctioned by law. But in reality, as we will see in detail in later chapters, this is never the case. For some reason or the other, his actual earnings fall far short of what he is supposed to get.

With regard to the supply of food, it is true that the employers have to spend quite a lot of money in procuring food-grains from the open market at the existing market-rates, and then supplying them to the workers at a lower rate, viz., Rs. 5 per maund. It is also true that during periods of natural calamities such as floods or earthquakes, the market price rises further, thus compelling the employers to spend yet more money. (In general, however, they buy food grains at 'rationed' prices. So they do not always incur such heavy expense). But all this is only one side of the picture. Under the existing convention, mutually agreed upon by the Government and the tea-producing companies in 1943, a worker gets  $3\frac{1}{2}$  seers of food-grains per week, i.e., about 15 seers per month at a concessional rate. Now, even if rice sells at Rs. 40/- a maund (the normal market price does not usually exceed this amount), the price paid by the employer for 15 seers comes to about Rs. 15/-, and this is sold to the worker for Rs. 1-14-0 (being the price of 15 seers at Rs. 5/- per maund). Therefore, the latter was receiving a concession whose cash equivalent comes to about Rs. 13-2-0 per month.

Now, prior to the latest increment sanctioned by the Minimum Wages Act, the monthly wage (at an average rate of 12 as. per day) came to about Rs. 22. The cash equivalent of food-grains concession being Rs. 13-2-0, and the income derived from land cultivation being about Re. 1 per month the total monthly cash earnings of a worker, including all forms of concessions, came to about Rs. 36-2-0, provided he worked for a whole month. In practice, however, he works for 20 days in a month. Therefore, the actual monthly earnings fall far short of the above figure. It was approximately Rs. 29-2-0. If we now add to this amount, the recent increase of 4 as. per day, on an average, then we get the present fig-



ure of a worker's monthly earnings which is about Rs. 34-2-0, and considering earnings for 30 days, this becomes Rs. 43-10-0.

This monthly earning of Rs. 34-2-0 is considered by the employers as more than a living wage, not to speak of a minimum wage! (The Government of Assam recently proposed to impose a compulsory saving scheme, and for this purpose wants to cut one anna per day from the workers' wage, as if the latter can easily afford to save this amount out of his meagre emoluments!) We are being told that "The rates it [the Minimum Wages Act] proposes to introduce are not in fact 'minimum' wages but the outcome of tripartite haggling..."<sup>12</sup>

It is up to the reader to judge whether the present wage-increase is in any way as fantastic as the employers try to make out, remembering the existing price indices. We give below a chart of minimum wages paid in other industries, which will conclusively prove that tea-garden labourers' monthly remuneration is much less than what labourers get elsewhere.

Table 15

MINIMUM WAGES IN SELECTED INDUSTRIES

<i>Industry</i>	<i>Total monthly pay (including D.A. etc.)</i>
1. Calcutta Electric Supply Corp.	Rs. 85
2. Bengal Jute Mills	" 63
3. Calcutta Tramway Co.	" 85
4. Engineering Industries	" 61

Uptil now, we have been considering expenses on food supply under rather abnormal conditions. Generally, the employers obtain food-grains from the Government at controlled prices. So they incur much less expenditure than has been calculated above. And this means that the workers are paid much less than what has been shown above.

We do not wish to assert however that the Government has no responsibility for solving the food problem in the tea industry. On the contrary, there can be no permanent solution of this problem unless the latter comes out with a definite, practicable proposition. Normally Assam is not a deficit province in this respect. Therefore, there is no reason why the Government should not be able to procure enough food to

feed the entire population at reasonable prices. A vigorous drive can compel the various jotdars and other middlemen, who artificially raise the market price by holding up their stocks, to sell food-grains at controlled prices. Simultaneously, in order to increase food production, radical changes must be introduced in the existing land tenure system. These are the necessary steps towards solving the problem which faces both the employers and the employees. If the Government fails to take proper steps in this direction, it is no fault of the worker, and it is no use cursing him for enjoying the so-called "extraordinary benefits".

The employers are now insisting that they be allowed the right to convert the ration concession into its cash equivalent. That is, they want to be exempted from the responsibility of food supply. As such, this demand is rational. But let us recall what reply they gave to the Assam Labour Enquiry Committee of 1921-22 on this very same issue. When they were asked by the Committee whether "It would be desirable to convert the various concessions into their cash equivalents", all of them replied in the negative. Now, however, they are singing a different tune. This shows that they have always had one aim in view, viz., to cheat the worker in as many ways and as much as possible. There is no other principle involved.

We would not have objected to their present demand provided they agreed to convert the food concession into its cash equivalent not on the basis of controlled prices, but on the basis of the existing dearness allowance sanctioned in other industries. Let them agree to pay what other industries pay, and, with the workers, put up a united demand before the Government for the opening of shops selling food-grains at controlled prices, then the workers will have nothing to protest against. It is true, as we have said before, that the cost of production has gone up during the last few years. But that is not mainly due to the increase in the workers' wages, as is propagated.

Moreover, on a critical examination, it will be found that some of the items which are listed in the costing figures are not actually items of cost of production. These have been deliberately added as factors in the cost of production so as to hide from the public the real state of affairs in the tea industry. In between production and ultimate sale to the consumer, stand a number of operators at various levels who by means of complicated manipulations artificially raise the market price, so that, what apparently seems to be the cost of production is in reality cost of production plus the remuneration.

*neration earned by these middlemen. Naturally, if the market price falls and, simultaneously, these various middlemen are allowed to enjoy the same rates of remuneration as before, then, obviously, the producer will succeed in showing that his cost of production has gone up in comparison with the market-price.*

The Memorandum of the Bengal National Chamber of Commerce pointed out how the fall in prices has been artificially brought about by "certain interested parties", but they dare not disclose who these interested parties are. They are the various British Companies connected, in some way or other, with and controlling the tea industry of India even after she became an Independent Republic. Therefore, before proceeding further with the immediate causes and ways out of the present crisis, let us see how British capital maintains its hold over the entire industry even today.

#### *Foreign Control over the Tea Industry*

(a) The total capital invested in the tea industry is about Rs. 51 crores. Of this amount, about Rs. 15 crores are incorporated in India and the rest, i.e. Rs. 36 crores, in the United Kingdom. The percentage of foreign capital in the industry to the total investment is thus 70%. Apart from direct investment, there is also portfolio investment of foreign capital connected with registration in India under various joint Indo-British concerns, so that a substantial part of the capital invested and registered in India consists of British capital. Altogether, therefore, it may safely be said, that foreign capital accounts for more than 80% of the investment in the Indian tea industry.<sup>13</sup>

(b) Of the total area of 776,898 acres planted with tea in 1950, about 86% was under the control of foreign companies. So also is the case with control of production of tea which amounted to 600,900,000 lbs. in 1950.

(c) India exports about 400 million lbs. of tea annually and its value is estimated at Rs. 70 crores.<sup>14</sup> This export trade is almost entirely controlled by the United Kingdom through sterling trade, London being the principal centre of the world tea trade. During the war, when the London auctions were temporarily suspended, the Calcutta market, being under the control of British broking firms, the trade continued to be directed by them. Before the war, almost the entire

<sup>13</sup> See Reserve Bank of India's report, *Census of India's Foreign Liabilities and Assets*, 1951.

<sup>14</sup> Report of the Ad Hoc Committee (1950).

amount of our export was sent to London, where after meeting U. K. demand, the rest was auctioned for re-export to other countries. This system is to be started again when the London auctions begin to function smoothly once more.

(d) Tea tasting, sampling, auctioning, marketing, etc., are exclusively the broking firms' job, and these being British concerns, manipulations are made in such a way as to earn more revenue for British capital. The broking firms overload or underload the Calcutta market whenever it suits their purposes. (There are at present 5 broking firms of which one only is Indian—a newcomer.)

These British firms have resolutely opposed even the Ad Hoc Committee's suggestion that they Indianise their technical posts and allow Indians to learn technical jobs.

(e) Warehousing in Calcutta is the sole monopoly of the British firm, Balmer Lawrie & Co.

(f) The International Tea Committee of London has complete control over all questions relating to the industry, viz. production, export quotas, average to be controlled, etc. The Indian Tea Association, representing mainly British tea-producing companies in India, is an associated body of the former.

(g) The International Tea Expansion Board, with its headquarters in London, is entirely in charge of tea propaganda throughout the world, and its policy is carried on in India by the Indian Tea Board—a semi-official body formed for this purpose.

Apart from direct control, as pointed out above, foreign capital also plays the leading role in other allied trades and industries connected with tea as the following facts will prove:—

- |   |  |
|---|--|
| 1. <i>Tea machinery firms:</i>                                      | Marshall & Sons Ltd.; James Warren & Co. Ltd.; Balmer Lawrie & Co. Ltd.; etc.                    |
| 2. <i>Inland carrying companies for the tea industry and trade:</i> | Macneill & Barry Ltd.; Kilburn & Co. Ltd.; etc.  |
| 3. <i>Plywood chest importers and manufacturers:</i>                | Octavius Steel & Co. Ltd.; Bird & Co. Ltd.; Williamson Magor & Co.; James Finlay & Co. Ltd. etc. |
| 4. <i>Coal and oil suppliers:</i>                                   | Bird & Co. Ltd.; Burmah Shell Oil Storage & Distributing Co.; Caltex (India) Ltd. etc.           |
| 5. <i>Fertiliser suppliers:</i>                                     | Shaw Wallace & Co. Ltd.; Jardine Henderson Ltd.; etc.  |
| 6. <i>Sole agency for food procurement:</i>                         | Steel Brothers & Co. Ltd.  |

*We hope this list will be sufficient to convince the reader how such an important industry serves only the interests of British capital which, in one single year, 1948, earned a net revenue of Rs. 10.5 crores (after paying for all sorts of expenses) from the tea industry alone.<sup>15</sup>*

It can thus safely be said that it is not the workers who are responsible either for the rise in the cost of production or the fall in prices. It is the foreign companies and their agency houses in Calcutta that account for the major part of the so-called costing. For instance, the brokers are normally entitled to a remuneration of 1% from the buyer and 1% from the sellers' account. That is to say, the 4 leading British broking firms earn as a net revenue 2% on the total trading done in Calcutta, which is a very significant amount, considering the huge trading done.

Then there are the leading British exchange banks who mainly advance money to the tea companies and thus earn a substantial profit out of these transactions.

Due to great demand for tea both during and after the war, production had been whipped up without due consideration for quality. This was possible because, hitherto, it was a sellers' market and therefore the buyers had no option. This policy is still pursued because it enables the companies to maintain a wide margin between cost of production and selling price. Now, however, as the consumers are laying more stress on quality, Indian tea finds itself in a bad position in foreign markets. This is one of the reasons for the fall in prices.

In this connection, it is worth noting the analysis made by the Bengal National Chamber of Commerce.

The Chamber think that the following causes are affecting tea prices:—

(1) "The Fiscal Policy of the United Kingdom...altered from time to time after the abolition of the Bulk Purchase system and the opening of the London Auctions.

(2) "Reduction of United Kingdom Government subsidy from 12d. to 8d....and subsequent total slashing of subsidy leaving the revision of ceiling prices uncertain and without raising the ration quota.

(3) "Absence of direct propaganda by the Central Tea Board in overseas countries to popularise Indian Tea as Indian Tea and not as Tea generally.

(4) "Imposition of Export Duty at a high rate in India

while Java's tea export is free of duty and Ceylon assessing the same *ad-valorem*."

(5) Another factor, according to the same source, responsible for the present crisis, is the difficulty in procuring finance, not only for capital expenses but even for working expenses. "Certain banks have already curtailed drastically the limits of advances on crop Hypothecation Account for the current session."<sup>16</sup> (In the May issue of the *Assam Review and the Tea News* (1952), we find the following news: "With a view to providing a big incentive to banks to make finances available to tea gardens the Reserve Bank of India has decided to extend in future re-discounting facilities to Scheduled and Co-operative Banks in respect of their loans to the tea gardens." A few months back, the Reserve Bank decided to withdraw this facility. Owing to pressure from the tea companies, it has now been compelled to modify its directive. But this is yet to be implemented.)

It is indeed true that the rate of export duty imposed by the Government of India is not a negligible factor in increasing the market price of tea specially under present conditions. And, since the Indonesian Government do not impose any such duty, while Ceylon has accepted the system of imposing export duty on a sliding scale, the employers can logically claim an identical reduction of export and excise duties from the Government of India. We are not concerned with the activities of the Ceylonese or Indonesian Governments. In the case of the Government of India, however, we can boldly say that it must not agree to reduce or abolish these duties immediately. From these duties, the Government earns about Rs. 13.5 crores annually. That is to say, the foreign capitalists are compelled to part with this amount which otherwise would also have flowed into their pockets. The British firms want to throw the burden of the present crisis not only on the workers but also on the Government. In order to justify this they analyse the present crisis (mainly due to the increase in the cost of production and the fall in the market price) in such a way as to show that their suggestions regarding abolition of various duties and reduction in workers' wages are quite reasonable.

We, however, have no desire to fall into their trap. We maintain that the tea industry can be run profitably without implementing the suggestions of the producers provided a cut is effected in the revenue earned by foreign companies in their various capacities. Without taking steps in this direction,

<sup>16</sup> Memorandum of the Bengal National Chamber of Commerce. See *Tea*, April, 1952.

*Government should not agree to accept the producers' suggestions.*

*First of all, let the Government keep a check on the activities of the British companies, the way they operate the industry and transfer to the U.K. the major earnings by way of higher rates of dividend, bonus to garden managers, managing agencies' remuneration and so on.<sup>17</sup> If even after taking these steps it is found that the industry cannot be run profitably, then, of course, the Government should reconsider its stand regarding the existing duties on tea.*

It is sometimes said that the withdrawal of the subsidy on tea by the U.K. Government has affected the price, thereby affecting the producers also. But has the ordinary British consumer benefited by the fall in price? It is the other way round. Whereas previously, he was required to pay for his ration of 2 oz. at the rate of 3s. 8d. per lb., he is now being asked to pay 4s. 4d., i.e., he is paying at a rate of 8d. more. The same is true of the Indian consumer. If the prices are falling and, simultaneously, consumers are paying more, then, obviously, someone is gaining at the expense of the consumer through all the complex mechanism of tea trading and marketing. And, as we have pointed out previously, these profiteers are none other than the brokers and various other middlemen, who again, in some way or other, are linked up with the producers.

Therefore, if any reduction is to be effected in the cost of production, efforts will have to be made in such directions as to affect the major items.

It will be sheer foolishness and harmful in the long run to cut the worker's wage.

### *The Plight of the Indian Tea Companies*

In the midst of all these shady transactions and artificial market-control which have been pointed out previously, Indian tea producers are finding themselves in a most difficult position. It is they who are very much hit by the present crisis. Getting neither relief nor protection from the Govern-

<sup>17</sup> It is not necessary here to give statistics of remuneration pocketed by the various British tea companies. A casual reference to the Annual Reports of these companies will reveal the enormous drain they make on our country's resources. A single instance will suffice to indicate its extent. By maintaining the bulk-purchase system, the U.K. has recently saved about Rs. 250 crores at the expense of India. That is to say, if India had insisted on the U.K. buying tea from her at the prevailing market rate which was one rupee higher per lb., she would have earned an additional Rs. 250 crores during these few years.

ment, or from the existing market, they stand on the verge of total collapse. Their case therefore needs a thorough and proper investigation.<sup>18</sup>

Some account of the present critical situation facing the Indian producers has already been given.<sup>19</sup> Unfortunately, however, most of the Indian producers do not try to find out the real truth and side with their British friends (or enemies?) in demanding economy on the basis of wage-cuts. Although they know very well that a substantial number of tea estates belonging to them are unremunerative, or uneconomic, they attribute this to bad management. The fact is that having come earlier in this industry and enjoying protection from the Government, the British companies have acquired all the best tea-growing lands. Then again, by virtue of the latter's control over auctioning and marketing, they dictate impossible terms with which the Indian producers cannot profitably comply. This is the position even to-day, while the Indian Government continues to issue from time to time, pious statements regarding protection to Indian industries against foreign monopolistic competition.

18 Tracing the growth of the Indian Tea Planters Association, Jalpaiguri, will give some idea of the growth of Indian tea companies. According to Tea (April, 1952), "The Indians started the Tea Industry from early in the 20th Century. By 1915, 23 tea companies were established in Jalpaiguri, having 24 estates, with an area of 15,000 acres. In the same year, the Indian Tea Planters Association was formed at Jalpaiguri by producers of Jalpaiguri. By 1932, the area increased to 20,400 acres, and the Association had 30 estates covering an area of 57,090 acres. It is now the biggest Association of Indian producers representing about 72 per cent of the total production (by Indian firms) in Bengal and Assam."

19 See also Mr. A. K. Basu's speech in the House of the People on May 30, 1952.



## *Chapter VII*

### THE CRISIS AND AFTER

IN the last chapter we dealt with the crisis that came on the tea industry towards the end of 1951. We also saw how different sections of the employers viewed the crisis and examined the steps suggested by them to tide it over.

With the growing crisis and various effects produced by it, different sections of both employers and employees began to urge on the Government of India to take the initiative to end this prolonged crisis. Matters took a very serious turn by the beginning of 1952 and towards March-April, 1952:

“Several representations from Associations of tea producers were received by the Government of India drawing attention to the difficulties facing the tea industry as a result of the steep fall in prices and requesting immediate relief .... The Government of India in the Ministry of Commerce and Industry, therefore, towards the end of May 1952 appointed a Team of Officials ... to investigate into the representations received by Government.”<sup>1</sup>

It is indeed surprising to note that the Government took more than six months to rouse itself from slumber and intervene in so important a matter. However, let us note the terms of appointment of the Team.

“The Team had no formal terms of reference; they were, however, guided in their work by a Press Note issued by the Ministry of Commerce and Industry, which stated as follows:—

“The Government of India have received a number of representations from various quarters in recent weeks for affording relief to the tea industry owing to the significant fall in prices.

“To investigate into this matter, the Government of India decided to appoint a team of two officials.... The team will start work as soon as possible and submit its findings with recommendations to Government on the completion of its investigations.”

It was naturally expected that the Team would make a thorough investigation into the various aspects of the tea industry and thus present us with an analysis of its cost-structure which would enable the public to get acquainted with its workings. When the Report was published (towards the middle of November 1952), it was found that, in spite of its bulk, the Report did not live up to these expectations.

The first and foremost task of the Team was to investigate the causes of the sharp fall in prices. To say that the fall in prices led to the slump is a mere tautology and no economist worth his name would ever make any such 'analysis.' Nevertheless, the Official Team could not go any further than this, as will be evident from its conclusion.

"It appears to us that there are two main causes for the decline in prices: one temporary and the other long-term. The temporary cause is the current glut of medium quality and cheap teas. It has been estimated that the U.K. holds about 140 million pounds of these varieties. Over and above this with the decontrol of tea, the U.K. Food Ministry will have to unload on the market their stock of 70 million pounds of not too fresh teas. Blenders, therefore, do not want to buy more of this quality of tea just now. As a result, there have been heavy withdrawals from the auctions of these grades either because there are no bids at all or the bids are much below the cost of production and, therefore, unattractive. When the current heavy stocks are depleted, prices are bound to revive. *In any case, prices cannot for long remain below the cost of production without supplies becoming affected, and it is therefore, to the interest of the consumer countries to offer a fair price now as an insurance against the steep rise later.*"<sup>2</sup> (Italics mine.)

With regard to the so-called other cause, the Report says,

"The second and long term cause is, however, a steady increase in the production in all tea growing countries and a consequent imbalance between supply and demand.... It is estimated that even after making allowance for the anticipated increased consumption in the U.K. following de-rationing, there will be more Tea—certainly more of medium quality Tea—than is required in the next few years. This is bound to act as a depressant of price. This situation can be met only by stimulating consumption through propaganda, capturing new markets and such other ways. *Any such increase in consumption may not, however, be adequate to cover the ever increasing production.*"<sup>3</sup> (Italics mine.)

What does this mean? In plain and simple language: in order to raise prices, production must be restricted. There is no denying the fact that producers might have to face this problem in the near future if things are allowed to continue as at present. But to take our analysis up to this point only, will give us a wrong idea about the whole situation. We will thereby miss the real crux of the problem. We are familiar with the term "over-production". But simultaneously we are also familiar with the fact that this term has significance only in the existing pattern of our socio-economic set-up, where the purchasing power of the average consumer far from increasing, actually shrinks day by day. That is to say, purchasing power cannot keep pace with the growth of production with the result that the gap between supply and demand increases. The only way this gap may be narrowed, is by curtailing production at home and imperialistic expansion abroad. But this does not permanently solve the problem. It only helps to hide the inner contradiction for some time, and thus perpetuate it. Hence so long as the existing socio-economic set-up continues, no amount of propaganda or restriction in production can solve the problem of "over-production". All this was forgotten by the Team.

So much for that part of the Report dealing with the recent crisis. We will now pass on to the parts dealing with the different "requests for relief".

The main demands of the employers for relief were:

1. Reduction and/or abolition of the excise and/or export duties.
2. If these duties are not abolished, deferred payment of excise duty.
3. Relaxation of Sec. 18-A of the Indian Income Tax Act, i.e. deferred payment of income tax.
4. Suspension of the Minimum Wages Act or reduction in the level of minimum wages fixed.
5. Suspension of the implementation of the Plantation Labour Act.
6. Conversion of foodstuff concessions into a cash benefit, and the State to take over supply of foodgrains to labour.
7. Responsibility for supply of foodstuffs to workers' dependents and non-workers to end.
8. Reduction of freight charges on coal and other materials.
9. Provision of finance to tea-gardens, especially for working capital.

10. Sales tax on tea to be abolished. Anomalies arising from sales tax on tea and on other goods to be removed.

Before proceeding further, it would be useful to present the Team's view on each of the above mentioned demands.<sup>4</sup> Their recommendations on these points were respectively as follows:

1. No change is required in the existing excise and export duties.
2. Duty may be paid at any time within a week of the end of the month to which the clearances related, not necessarily at the time the tea left the factory.
3. The Team recommended the granting of this request. It also recommended that excess profit refunds should be expeditiously made.
4. The industry should make the necessary representation to the States concerned for the appointment of Advisory Committees and Advisory Boards. The Team "would suggest that the anomalies placed before the Team in regard to minimum wages be studied by the Central Advisory Board which the Central Government has appointed. In the interest of all, the Central Advisory Board recently constituted may quickly advise the Governments concerned."
5. The implementation of the Plantation Labour Act should be postponed for two years or so in the case of the tea industry.
6. Government should supply rationed foodstuffs at convenient centres or depots and the tea gardens should be required only to retail these foodstuffs through their shops. The gardens should continue to bear the expense of transporting the foodstuffs from the centres or depots to their ration shops. The legal responsibility for distribution of foodstuffs to the workers should continue to rest on the tea gardens. An additional cash wage equivalent to the difference between the prices at present paid by the workers for their foodstuffs, e.g. Rs. 5/- per maund in the case of rice, and the price they would have to pay for rationed foodstuffs at controlled rates, should be paid to them.

<sup>4</sup> It is to be noted here that the Team was specially asked to go into these demands of the employers. So far as the demands of tea garden labour were concerned, the Team did not consider it necessary to pay any serious attention to them. It even refused to meet representatives of the A.I.T.U.C. who had prepared a memorandum incorporating the latter's views and demands.

7. *It would not be proper to make the industry responsible for feeding workers not directly connected with it.*
  8. Relief is deserved in respect of transport of coal and other stores to the tea gardens.
  9. Commercial banks cannot be expected to tie up their liquid resources in long-term capital projects. These are functions of land mortgage banks and the small Indian tea gardens would benefit by forming a suitable co-operative bank.
- If the Industrial Finance Corporation is to be of assistance to the tea gardens, some amendment of the Act is essential to enable it to make advances to proprietary tea gardens.
10. These anomalies require investigation in the interest both of the trade and of export.

Even a casual reader will notice how vague these recommendations are. Whatever positive commitments are made are against the interests of both the small producers as well as the workers.

In the previous chapter we pointed out how utterly absurd is the demand for suspension of the Minimum Wages Act. Yet, due to persistent pressure from the employers, the Team recommended the creation of Advisory Boards to go into this question once again. Not only this, it further recommended that the Plantation Labour Act be stayed. This is one of those few pieces of labour legislation which, if implemented, could do a lot in improving the miserable conditions of tea garden labourers. Besides, this Act recognises some of the fundamental democratic rights indispensable for trade union functioning. Thus, for instance, Sec. 16F of the Act gives the right of "access to the public to those parts of the plantation wherein the workers are housed". It is precisely the lack of access to the workers' *bustees* that has been hampering the legitimate activities of trade union organisers among tea labourers. Naturally, under the existing conditions, if this right is denied, then workers being deprived of constant guidance from their organisers, will always remain in the clutches of their employers. That is why the latter have consistently fought against the implementation of the Plantation Labour Act. By its recommendation, the Official Team has done just what the employers wanted them to do.

While the Team was busy collecting material, visiting different places for this purpose, the situation continued to

worsen. So much so that a number of gardens began to close down both in Assam and in West Bengal. In Parliament, many members began to attack the Government for its callousness and apathy. Ultimately, the Government had to act even before the Team's Report came out. Early in October, 1952, it was announced that the Government had decided to withdraw from the International Tea Market Expansion Board (I.T.M.E.B.).

In a previous chapter we discussed the formation and nature of work of this Board. There it was mentioned that a number of complaints were made by a section of the producers who alleged that the I.T.M.E.B. did not look after India's interests properly. Although India, as the largest producer of tea, had been subscribing Rs. 50 lakhs annually to its fund (this amount is more than half the total contributions to the I.T.M.E.B. fund by all the other tea-producing countries put together), the representation she had on the directorate of that organisation was neither adequate nor commensurate with her contributions and her importance as the leading tea producer. Besides, in the different foreign markets, the I.T.M.E.B. carried on propaganda for tea in general and did not carry on any propaganda for Indian Tea as such. India was thereby deprived, to a large extent, of the benefit of the Board's activities, for which however, she had to bear the major burden in the form of annual financial contributions.

Hence, this decision by the Government of India was neither surprising nor too precipitous. In fact, it was long overdue. There is no doubt that breaking free of the British tea magnates controlling the I.T.M.E.B. India will, for the first time, get a chance to compete freely with other countries in the foreign markets.

But this decision, by itself, will be of little use, unless the Government really means to pursue an independent policy with regard to the trading and marketing of tea. This, however, will not be very easy to achieve because though, on a Government level, India might have decided to sever all connections with the I.T.M.E.B., the tea industry itself is still very much under the control of foreign capitalists who will spare no pains to create all sorts of obstacles. The Government must therefore create a powerful organisation to carry on the tasks previously assigned to the I.T.M.E.B. This organisation must follow an independent policy in looking for new foreign markets and see that Indian tea maintains its quality. It has been found that during the last few years, Indian tea is gradually being ousted from the U.S.A., Canada, the Middle Eastern countries, New Zealand and European markets in

general in spite of the fact that these markets can and do absorb a substantial amount of tea.

We have, however, not yet heard what the Government proposes to do next. All that has been done so far is that India, along with Ceylon and Indonesia, has entered into an agreement with the U.S. tea trade for tea propaganda in the U.S.A. The latter and each of these countries have agreed in principle to contribute to a joint promotion fund on whose governing body "all would be represented". It is also proposed to spend 1½ million dollars this year to promote tea drinking in America. Of this amount, the producing countries are to contribute approximately two-thirds. It is yet too early to predict what the economic outcome of this deal will be. But judging from the political-economic strings that are being attached to the financial deals taking place between the Governments of India and the U.S.A., one may legitimately doubt how far this deal will actually help India.

On December 17, 1952, Mr. Krishnamachari, Commerce and Industry Minister, introduced in the House of the People "a Bill to provide for the control by the Union, of the tea industry, and for that purpose, to establish a Tea Board and levy a customs duty on tea export." The Bill sought to combine the provisions of the two existing enactments relating to the tea industry, namely the Indian Tea Control Act, 1938, and the Central Tea Board Act, 1949, "to achieve simplicity and administrative convenience."

The Tea Board is to be entrusted, besides the functions now assigned to the Indian Tea Licensing Committee and the Central Tea Board, with additional functions of regulation and licensing of brokers and blenders and quality control. The constitution of the Board is sought to be made more flexible by providing that the Central Government "shall appoint members to the Board from among persons capable, in their opinion, of representing the various interests concerned, such as growers, exporters, labour, Central and State Governments, principal Chambers of Commerce and Industry, an economist and a scientist."

The Bill also sought to empower the Central Government to fix the wholesale and retail prices of tea and also to direct the Tea Board so that it might function as an effective instrument of Government policies.

The customs duty proposed under the Bill will be at a rate not exceeding "two rupees per 100 pounds as the Central Government may notify."

It will be seen that, by this enactment, the Government proposes to establish firm control over the tea industry. The

proposed Board will have far greater authority and a wider sphere of control than the existing one. Whether such a control will be beneficial to the industry as a whole is, however, a different question. One thing is quite clear: so long as the present basic structure and pattern of working of this industry is allowed to persist, no amount of control at the top can help to solve the crises that recur periodically. Besides, there seems to be absolutely no plan to direct the various measures which the Government takes from time to time. Thus, for instance, although the Raja Ram Rao Team explicitly expressed its opinion against any change in the existing excise and export duties, the Government of India announced in November 1952, that "with a view to giving some direct and immediate relief to the producer of poorer quality teas who had suffered most from the recent slump," exemption from excise duty was granted for all teas covered by the term "tea waste", teas qualifying for such exemption being estimated at 18 million pounds out of a total tea production of over 600 million pounds.

This decision did not find favour with the big bosses of the industry. Mr. Llewellyn, Deputy Chairman of the I.T.A., commenting on this decision, "expressed very strong views on the advisability of exempting tea waste from excise duty. Such action, he felt, would dangerously affect the future of Indian Tea." Due to such pressure, the Government subsequently decided to withdraw this exemption in January 1953.

In the meanwhile, in December 1952, the Industrial Committee on Plantations recommended to Government that relief to this industry should be granted, as an emergency measure, by refund at the rates given below of the excise duty collected:

Cachar, Darjeeling and Tripura	3 as. per lb.
Dooars, Terai and Central Travancore	2 as. per lb.
Assam and Madras States	1 an. per lb.

This recommendation was not accepted at the time it was made. The Government of India was then guided by the recommendations of the Raja Ram Rao Team's Report, wherein it was pointed out that relief in this direction would not help to solve the existing problems. The Government also made it clear through some of its statements issued from time to time, that it "should not be expected to abolish or reduce export or excise duties while other factors responsible for the slump were allowed to continue; that such a recommendation called upon the tax-payer alone to shoulder the burden unilaterally."



But this was one of the basic demands to which all the employers stuck unanimously right from the very beginning of the crisis (see chapter VI). They were bent upon winning their case, and after a series of arguments and counter-arguments, the Finance Minister introduced a Bill in Parliament in April, 1953, providing for a reduction of the central excise duty from 3 as. to 1 an. per pound in the flat rate payable on tea manufactured in India at the time of issue from the producing gardens, and the levy of a further excise duty of 3 annas per pound on package tea from blenders and packers at the time of clearance. These changes came into effect immediately under the Provisional Collection of Taxes Act. This Bill sought to afford direct relief to the tea gardens and consumers of unpacked tea without affecting significantly the yield of revenue.

Opinion among tea growers is naturally divided on this issue. One section feels that the Bill will offer them very necessary relief by a reduction in initial financial commitments. Another section considers the levy to be highly discriminatory and unwise. This latter section fears that it may have a depressing effect on internal consumption as about 60% of tea consumed in India is sold in packets and would come under the increased rate of excise duty. However, the Government of India feels that the difference in rates of duty is much too small to lead to any large-scale maladjustments in internal consumption of tea.

The way the Government tackled the issue of excise duty shows clearly that it has no definite industrial policy and that it allows spontaneity to guide its course of action.

So far as we are concerned, we find no reason for such discrimination between packed and unpacked teas. Besides, as we pointed out in a previous chapter, this decision to reduce excise duty should have been taken only after a thorough enquiry into the cost structure of the industry. Even the Government itself had stated a few months earlier that so long as other factors causing the slump are allowed to operate, it should not be called upon to reduce the excise duty. Now, it is singing a different tune and it is quite clear what brought about this change. If, however, such a decision was absolutely unavoidable, it could have introduced on a sliding scale, as was done in Ceylon. But that was not to be.

The Raja Ram Rao Team evaded the issue of arranging for finance for the tea gardens, especially for working capital. Yet this was an issue on which the future prospects of the small Indian-owned gardens depended. On December

10, 1952, Mr. A. C. Guha, M.P., raised a discussion in the House of the People on the crisis in the tea industry. In reply to this discussion, Mr. Krishnamachari announced that

"the Government now felt that it must consider the possibility of offering to guarantee banks against deficits in the financing of the 1953 tea crop; such guarantee being limited in amount to a percentage of the repayment to the banks by these gardens in 1952."

In this connection the Minister pointed out that

"the Government would naturally insist on suitable safeguards like securities, hypothecation and things of that kind that banks usually ask for, so that no ultimate loss would accrue to the Government by reason of this guarantee from the estates which availed themselves of such help from the Government through banks. The Government would also ask for additional guarantees, such as that they would not pay dividends until the Government's guarantee was fully discharged, and that they would not embark on any precipitous discharge of labour. The Government hoped that labour would take this opportunity provided to keep the estate going and that it would not insist on its 'pound of flesh'."

Credit difficulties were confined broadly to some 275 Indian-owned gardens, mostly in the north and north-east, which were financed directly by banks. But the "Government was also prepared to extend some help to European-owned estates. For this purpose, officers of the Ministry of Finance and the Reserve Bank of India, were studying the question of provision of credit facilities."

In his long speech, the Minister, it seemed, was going to explain the policy the Government would follow in guiding and controlling the industry. For the first time, we find the Government guaranteeing to imburse scheduled banks a certain percentage of deficits, if any, in the 1953 crop accounts of both sterling and rupee tea gardens which had been directly financed by them in 1952. It was to be limited to 10% of the repayment actually made by the gardens to the bank against the 1952 tea hypothecation account in the case of gardens situated in areas other than Cachar, Tripura and the Dooars, in which case the limit was placed at 15%. The object of this scheme was to induce banks to make available for the 1953 season, to such marginal or sound tea gardens as were in financial difficulty, a higher level of finance than they were prepared to provide at that time. But such help was not to be extended to the sub-marginal gardens. According to the Minister's statement, some of the Indian-owned gardens which fell in this latter category must be

prepared to "take the consequences and some of them may have to close down."

The concluding part of Mr. Krishnamachari's speech, as reported in the newspapers, deserves to be noted. "The Government," he said, "had been considerably exercised by the present position of the industry." It was not, however, in a position to enter the field directly. "We do intend, within a period of 12 months, to see that things are organised and that at any rate we can keep our fingers on the pulse." Lastly, he reminded the House, the public, the tea-estate owners and labour that they "must realise that in the situation in which we are placed to-day, no good is ever done by saying, 'somebody in England has done something wrong, somebody in Calcutta has done something wrong. The Government is always wrong.'" He further said that

"we have to put our heads together and see that those who can afford to make the least sacrifices are not asked to make all the sacrifices to the last farthing. But it is undoubtedly clear that some sacrifice is called for from all interests. If this is forthcoming I have no doubt that the Government can give assurance that it will try to do as much as it can."

The policy of the Government, as we understand from this speech, is remarkable both for its apparent honesty (which in reality, is nothing but hypocrisy,) and vagueness. Whatever pious wishes might have been expressed by the Minister, in reality his policy has worked out in a completely different manner. Though he admitted that some sacrifice is called for from all interests, and that those who could make the least sacrifice were not called upon to make all the sacrifices, later events showed that those controlling the Government had in their minds just the reverse of what their spokesmen said publicly. Thus, for instance, in the name of reducing the cost of production, the tea garden labourer had to suffer a cut of at least 15% in his wage through the abolition of the food grains concession as a result of the recommendations of the so-called Wages Boards which were set up as a result of the Official Team's recommendation. Could the labourers afford this wage cut? Even official spokesmen have, from time to time, admitted that they could not because, as it was, they were on the verge of starvation. That is to say, though they could not afford to "sacrifice" so much, they were made to do so. On the other hand, those who really could be called upon to "make sacrifices" were not compelled to do so. That there are such persons and organisations need not be asserted here once again.

All the chapters of this book and chapter VI especially,

point out sharply who we have in mind. The Government can easily spot them if it so wishes. Only one example may be mentioned here. Steel Brothers, who supply foodgrains to the tea gardens, are allowed a profit of

8	as.	per	maund	for	the	first	6	lakh	maunds	of	foodgrains;
6	"	"	"	"	"	subsequent	2	"	"	"	"
4	"	"	"	"	"	"	4	"	"	"	"
2	"	"	"	"	every	subsequent					maund of foodgrains.

Now the total foodgrains (rice) supplied annually by this firm to the Dooars and Terai districts alone for the last few years are given by the following table:-

Table 16  
FOODGRAINS SUPPLIED BY STEEL BROS.  
TO THE DOOARS AND TERAİ DISTRICTS  
(1951 - 53)

Year	Total rice supplied (in maunds)
1951	15,00,000
1952	11,00,000
1953	9,00,000 (estimated)

The amount of profit earned by this British firm by foodgrains supply, may be easily calculated from the above figures. Then again, whereas tea gardens buy coal at the rate of Rs. 1-4-2 per maund when carried to them by railway, they pay Rs. 3-2-0 per maund for coal brought to them by steamer over inland waterways! This extra money has to be paid to Kilburn & Co. Ltd. (another British concern) which holds the monopoly of inland steamer services! Besides, Steel Brothers get a commission of Rs. 2 per ton of coal supplied.

While these arrangements are allowed to continue, thereby raising the cost of production, the only party that is forced to "sacrifice" is labour. How far these economic, financial and trading arrangements are compatible with the oft-repeated expressions of "freedom," "independence" and "progress," enjoyed by our country is a matter that may be safely and confidently left to the reader's own judgment while we proceed to follow subsequent events.

From the *Calcutta Tea Market Report*, we find that from December 1952, prices of tea gradually began to rise. The following table indicates the trend in prices from this period onwards.

Table 17

**PRICES REALISED IN CALCUTTA TEA AUCTIONS  
FOR NORTH INDIA TEA**

<i>Date</i>	<i>Sell No.</i>	<i>Average Price per pound</i>
		Rs
8.12.52	27	0-15-11
15.12.52	28	1- 0- 1
5. 1.53	29	1- 3- 8
12. 1.53	30	1- 4- 6
19. 1.53	31	1- 4-11
27. 1.53	32	1- 5- 6
2. 2.53	33	1- 6- 6

It will be seen that prices began to rise steadily and the depressed tea markets began to revive. This view is also supported by the tea producers as will be evident from the following comment made by Messrs J. Thomas & Co., Ltd. in their Annual Report for the season 1952-53.

*"The new year [1953] sales opened on a bright note, as the Christmas recess had allowed time for U.K. stocks to diminish. Moreover, with the sensational drop in the North Indian Crop and the prospects of a 20 million pounds shortfall in Indonesia, buyers were suddenly faced with a possible world shortage. They were quick to appreciate the situation and the concluding sales saw a return to conditions of a sellers' market in which U.K. operators and blenders for consumption in India were the strongest competitors. The price of common B.P. rocketed from Rs. 0-13-0 on January 1st to Rs. 1-12-0 in the last sale of the season." (Italics mine.)*

The annual Report concludes with the following comment:

*"To sum up, the Industry may face the future with growing confidence in the reasonable hope that conditions during 1953 may resemble much closer those of 1951 than during the critical year that has just passed."*

How was this sudden change brought about? Only a few months earlier producers felt that it would not be possible to overcome the slump in a short space of time. Now we find the slump is receding fast and a "sellers' market" is once again on the path of restoration. A little analysis will enable us to understand the reasons for and nature of this change.

The total world output of black tea in 1952 amounted to 1,070½ million pounds as compared with 1,105½ million

pounds in 1951 and 1,042½ million pounds in 1950. Thus, compared to 1951, the total world output in 1952 decreased by about 35 million pounds.

The second point to be noted is that by agreeing to curtail production, the employers are assuring themselves a "sellers' market" which has already started operating. This policy is also supported by the Government of India who recently decided "to reduce export by 15% to 115% of the Standard Export figure." The stocks of the U.K. have dwindled to 116 million pounds in April this year, which was "considerably below the pre-war figure". This along with the fact that the stockpile accumulated in previous years by the U.S.A. and Canada, "had already largely been consumed," holds out a "bright promise" to the industry. These are the factors that are turning the buyers' market into a sellers' one.

What conclusions do these facts and analyses lead us to? *Firstly*, the usual capitalist method is being adopted to tide over the slump, viz. curtailment of production. *Secondly*, through various manipulations, the big British tea producers in India passed the burden of the slump on to the shoulders of the workers and small Indian producers while the average consumer went on paying the same price for his tea. This policy of the British producers succeeded due to the implicit support they got from the Government of India. *Thirdly*, though the period of slump is now over, the employers are not going to restore the cut they succeeded in imposing on the tea-garden worker's wage, nor are they going to tackle the problem of unemployment which is so acute today in the tea gardens, unless the workers go into action.



## PART II

# LABOUR IN THE TEA GARDENS

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### *Chapter VIII*

#### FROM THE EARLY PERIOD TO 1870

TILL 1859, when only a few gardens were in existence, local labour proved sufficient for the Assam tea gardens. But from that year onwards, as the number of gardens began to grow rapidly, local labour fell far short of the total demand and, as we have seen before, this was one of the major reasons for the crash that overtook the industry a few years later. Even before the crash came, some of the planters felt that the success of the industry depended mainly on the availability of labour at *cheap* rates. Assam being thinly populated, the planters gradually came to realise that the growing demand for labour would raise its price in the near future which, naturally, was the last thing they were prepared to accept. So they started thinking of 'importing' labour into Assam from other parts of India where labour was cheap and available in large numbers. There was already a precedent. The British Colonies of Mauritius, Natal, British Guiana, the West Indies etc., used to import Indian labour in large numbers ever since the abolition of slavery in 1833. This was known as colonial emigration. By 1860 it was a fully established 'trade'. So this idea was taken over by the British tea planters in Assam, and emigration of labour to Assam started from 1859.

In 1858-59, *Papers Regarding Tea Plantation in Bengal* reported that about 400 labourers were imported into Cachar. They came mostly from Chotanagpur, Ghazipur, Banaras, etc.

#### *Sources of Labour Supply*

Labour was primarily recruited from the following regions: Chotanagpur, the Santhal Parganas, the Central Pro-



vinces, parts of Bihar etc. The following table shows the percentage of labour recruited from the different areas to the total labour force in the tea gardens of Assam:<sup>1</sup>

Table 18

PERCENTAGE OF IMMIGRANT TEA LABOUR TO TOTAL  
LABOUR FORCE IN ASSAM

<i>Labourers recruited from</i>	<i>Percentage of total labour force</i>			
	1877-78	1878-79	1879-80	1880-81
Chotanagpur	48.58	65.35	44.47	29.62
Santhal Parganas	3.87	3.18	2.94	1.73
Bengal Proper	23.08	14.66	19.75	43.81
Bihar	24.86	15.56	14.41	22.98
Orissa	.15	.02	.08	1.73
North West Provinces	.86	.39	.06	-

The peculiar characteristics of tea plantations need a particular type of labour. Working in a tea garden is a very hard job and it is not given to all to be able to stand this hardship. Besides, the wages being appallingly low (and the living conditions approaching so near to those of an ordinary beast of burden) only the most backward and downtrodden communities like the Santhals, Oraons etc. could be compelled to work there. To the ordinary man in the street, the tea gardens were known as veritable hell and nobody would willingly go there to work. Therefore labour was not available easily. In order to recruit labour, the agent had to resort to various types of fraud and coercion. This fraud combined with acute distress and scarcity prevailing perennially in some parts of the country, helped the planter to recruit his labour from these places. In these areas, the peasantry were being gradually evicted from the soil and having no alternative source of employment, could be easily tempted, with false promises about rosy prospects, to embark on the journey to the Assam tea gardens. But mere temptation was not enough. So the Government itself came to the planters' aid and passed a series of Acts from time to time, legalising recruitment of labour and enabling the planter to procure his men more easily. The general plan of recruitment was

<sup>1</sup> Annual Report on Inland Emigration, 1880-81.

that certain persons were appointed by the planters as recruiting agents in certain localities. These persons were known as *arkatis*. The localities chosen were those places where labour would be easy to procure. These places were known as labour recruiting districts. Chotanagpur, the Santhal Parganas, etc. were noted for famines and acute food scarcity, which were partly due to natural calamities, but mainly to the oppressive system of land revenue adopted by the Government to enhance its own revenues. This compelled a major section of the people to live in a 'floating condition'. They could neither maintain themselves on their land nor get any alternative source of livelihood. Most of them, before finally being compelled to give up their lands, had to incur heavy debts which always hung on their necks, even after they had become complete paupers. It was these paupers, this uprooted section of our cultivators and native handicraftsmen that formed the main target of the *arkatis* in their labour-hunting campaign. The success of the 'labour trade' therefore mainly depended on the economic conditions of the people in the recruiting areas. Whenever there was slight improvement in economic conditions (due to good harvests for example), there was a marked fall in recruitment and *vice versa*. Therefore steady recruitment all round the year was not generally possible. It was for this reason that the Government began to pass a series of Acts.

The first important Act in this connection was known as the Workmen's Breach of Contract Act (Act XIII of 1859). Its purpose was clearly set forth in the Act itself:

"Whereas much loss and inconvenience are sustained by manufacturers, tradesmen and others in the several Presidency towns of Calcutta, Madras and Bombay and in other places, from fundamental breach of contract on the part of the artificers, workmen and labourers who have received money in advance on account of work which they have contracted to perform and whereas the remedy by suit in the Civil Courts for the recovery of damages is wholly insufficient, and it is just and proper that persons guilty of such fraudulent breach of contract should be subject to punishment; . . ."

It will be seen that the scope of this Act was very wide. Actually it was passed at the request of the Calcutta Trades Association and others interested in handling labour. It formed the basis of Indian labour legislation in general. As labour of all categories fell under its scope, the planters took

advantage of it to compel their labourers to work even against their will.

But even this Act alone was not good enough for the planters and a series of special acts were passed for the 'protection' and 'welfare' of the plantation industry.

"The origin of plantation legislation might be traced back to the thirties of the last century," writers R. K. Das, "when at the abolition of slavery, British Colonists sought the cheap labour supply from India, and a large number of Indians began to emigrate to the colonies under various forms of labour contract. The Government of India undertook legislation for regulating the recruitment, transportation, and employment of emigrant labourers under the indentured system."<sup>3</sup>

The acts passed in connection with the indentured system of labour for British and other foreign colonies, need not be mentioned here. It is enough to mention the first Act, viz. Act VII of 1837 which, for the first time, legalised the principle of recruiting labour for colonies, for a fixed period of time. The labourers had to sign a contract to work in the colonies for a specific period, generally of five years. This system of contract labour is known as *indentured* labour. Once a person signed the contract, he had no alternative but to work.

From 1859 British planters in India began to utilise this precedent to work their gardens with forced labour.

Local contractors recruited labour from their respective localities and sent them to Calcutta. From Calcutta, these men (commonly known as *coolies*) were then sent to various tea gardens. They were under obligation to work for a specified period of time (five years).

The evils connected with the system of recruitment and transport of labour were so marked that even the Government had to admit that things were indeed very bad and set up a Special Commission in July 1862 to consider the whole question of "coolie trade".

"The state of things disclosed by the inquiries forced the Government to pass an Act (Act III of 1863 Bengal Legislative Council) for the regulation of emigration to the districts of Assam, Cachar and Sylhet."<sup>4</sup>

The main objects of this Act, it was stated, were to "make sure that the labourers understood what they were to do and to lessen the mortality previous to the arrival at the tea districts."

3 Das, R. K. *Plantation Labour in India*, p. 29.

4 Papers regarding Tea Trade.

Taking advantage of the great demand, the local contractors and those who employed them began to reap a rich harvest through the coolie trade. The labourers were practically sold to the highest bidder among the planters. The contractors did not care to find out whether a particular man would be suitable for work in the tea gardens. His premium was on the number and so he would get hold of as many men as possible by hook or by crook. He did not care to find out if these men would be suitable for plantation work. Most of the people who were then trapped, being very ignorant, had no idea regarding their destination.<sup>5</sup> They were told that their journey would take only a few hours, that they would get very good pay and that their work would be light and, moreover, that they could come back home any time they liked and that all travelling expenses would be borne by the companies. If a person did not agree to leave his village even after all this temptation, he would be carried away by force. This state of affairs has hardly any parallel in history except that of slave trade. Even in England, storms of protest were raised by the public from time to time against such barbarous and inhuman practices.

On their way to the tea gardens, large numbers of men and women died every year due to the bad sanitary conditions in which they had to stay while travelling. Even those who luckily managed to reach the gardens, were reduced to such physical state that they could hardly move about and work.

It was in such a background that the Government set up the above-named Commission. The objects for which Act III of 1863 was passed were never to be fulfilled. *Instead what it achieved was only the legalisation of the system of contract labour for 5 years*, issuing licenses for this purpose to the recruiting agents. Although the Act did mention bad sanitary conditions and high mortality rates on the journeys, it did nothing to prevent them. So we find that, even after this Act was passed, *about 31,876 coolies out of 84,915 died in the three years from 1st May 1863 to 1st May 1866*.<sup>6</sup> Agents continued to seduce men for the tea gardens; in the gardens, the coolies continued to be at the mercy of the managers. The Act did nothing to tackle these important questions. The planter remained the supreme judge on all affairs regarding the coolies and there was no appeal—as there was no law. He looked upon the coolie as an ordinary

<sup>5</sup> Tea Commissioners' Report.

<sup>6</sup> Papers Regarding Tea Trade.

beast of burden, whom he had bought and whom he could therefore use like any other commodity.

As most of the labourers chosen at random by the *arkatis*, were unfit for work in the tea gardens, they could not perform their tasks which were allotted by their masters. The results of such non-fulfilment can be well imagined. The planter was not prepared to give the labourer a moment's leisure, irrespective of the latter's health. He had been bought and the buyer must therefore get the maximum return out of him! Tying up and flogging were very common types of punishment which could be at times awfully severe too! This is borne out by the various accounts published in *Parliamentary Reports* of the House of Commons. Here is one such typical report.

"In a report to the Government of Bengal, Lt. Col. H. Hopkinson, Commissioner of Assam wrote [on the 9th of April, 1866], 'I was far from supposing that anywhere in the province coolies could be treated with the cold-blooded revolting cruelty which the papers herewith forwarded disclose':

*Extract from Capt. Lamb's Diary:—*

'Moved to the Gabroo and inspected the Assam Tea Company's gardens *en route*; found seven men in one of them, who had the marks of having been unmercifully beaten with a cane on their backs. They stated that short ration had induced them to abscond, and about a fortnight ago, they had been brought back to the garden, and the assistant in charge of it had tied them up and given each of them a severe beating. One man's wounds were deep into the flesh and still quite raw....

'... From further enquiries, I gather that after these unfortunate men had had their backs cut to pieces with a cane, oil and salt had been rubbed into their wounds.'"<sup>7</sup>

It is no wonder therefore that soon after arriving at the garden, when a coolie found out the real state of affairs, his only desire was to run away from the clutches of the planter. He would look for opportunities and whenever he got one, tried to make the best out of it. But the planter was well aware of this. He did not spend his money on the coolie for nothing. So he used to post *chowkidars* (guards) "at every possible outlet from the coolie-lines. Rewards were granted to any one who would catch a runaway coolie, savages were sent to track out fugitives", and even dogs were trained for this purpose. If a runaway coolie was thus caught, he would be flogged and beaten almost to death. The

<sup>7</sup> "Parliamentary Papers Relating To Coolie Trade in Assam", *Parliamentary Reports*, 1867, vol. 1, p. 359.

reward granted for his capture was, of course, deducted from his salary!

The Act of 1863 was amended in 1865—once again with a view to prevent all these abuses. In practice, however, it enabled the planters to create such conditions as to make the labourer work like a full-fledged slave. It fixed for the first time, the monthly wage of a coolie, legalised punishment in the cases of 'desertion' or 'insolence' and reduced the period of indenture to three years. It authorised the planter to arrest any worker who was alleged to have left his garden. "Lest there should be any loopholes in this arrangement, if any such worker was arrested for refusing to work and sentenced to a term of imprisonment, then the total duration of his imprisonment was not counted towards the period for which he had contracted to serve his employer."<sup>8</sup>

Before this Act was passed the planter had no legal authority to arrest a worker. In such cases, the former could only take the help of Section 492 of the Indian Penal Code which provides one month's imprisonment for defaulters.

The Act of 1863, therefore, marked the real beginning of the indenture system in India.

We have referred to the Commission which was set up in 1868 to inquire into the state and prospects of tea cultivation in Assam, Cachar and Sylhet. The Commission also investigated the working of Acts III and VI of 1863 and 1865 respectively. Before proceeding with the Commission's findings on this point, here is a table showing the number of labourers imported into Assam from May 1863.<sup>9</sup>

Table 19

NUMBERS OF LABOURERS IMPORTED INTO ASSAM  
(1863-68)

<i>Despatched to</i>	<i>Number of labourers</i>					<i>Total</i>
	1863-64	1864-65	1865-66	1866-67	1867-68	
1. Assam	4,558	11,768	27,761	7,901	2,364	54,352
2. Cachar	11,249	15,598	16,008	4,212	5,088	52,155
3. Sylhet	268	916	813	374	102	2,473
	16,075	28,282	44,582	12,487	7,554	108,980

<sup>8</sup> Chaman Lal, D., *The Cooly*, vol. ii, p. 6.

<sup>9</sup> *Tea Commissioners' Report*, p. 26.

The Commissioners' Report says, "The effects of the Act [Act. III of 1863] on the mode in which the emigration is carried on, is the point which deserves attention," and then quotes the following letter written by the Deputy Commissioner of Manbhum:

"I consider very few coolies leave the district, knowing really what they are going for... Having had the best opportunity since I took charge of this District in 1863 of studying the working of Act III, I consider that it is not in any case calculated to bring about what is, I suppose, its real object, protection of the coolies as well as of the planters' interests."<sup>10</sup>

The Report then gives the Commissioners' views:

"The testimony of all the District Officers... is to the same effect: that the coolies are very frequently deceived by the recruiters; that nothing which is said to them by the Magistrate is of any avail to counteract this deception; and that the protection which the act was designed to afford has been little more than nominal."

### *Wages*

Let us now see what the Commissioners had to say about wages. "Of the many difficulties in the way of remunerative cultivation of Tea in Assam, Cachar and Sylhet," he wrote, "the scanty supply and high price of local labour are among the most formidable."<sup>11</sup>

The Public Works Department was employing a large number of local labourers at a higher wage-rate than was paid by the planters and so they preferred to work under the P.W.D. This irritated the planters as they were not prepared to pay according to the P.W.D. wage-rate. They demanded of the Government that they reduce their rates. Some planters even went so far as to suggest "the increase of the land revenue as one means of bringing new labour into the market." This view was also supported by many local officers and the Bengal Government by a resolution, dated 5th November, 1867, "Sanctioned a ten years' settlement, and the adoption of the higher rent-rates per *bigah*, proposed by the Commissioner of Assam, in substitution of the existing rates." The aim of this Act was to drive a section of the cultivators off their land and force them to work under the planters at a cheaper wage.

According to Act VI of 1865, the monthly wages of indentured labourers was fixed at Rs. 5, Rs. 4 and Rs. 3 res-

<sup>10</sup> Ibid.

<sup>11</sup> Ibid., p. 20.

pectively for men, women and children, provided they worked for 9 hours a day. This was much less than was paid to labourers indentured for foreign colonies. The latter were entitled to get Rs. 15/- per month. It is impossible to explain why Government allowed such discrimination. It only shows that they directly helped the British planters to exploit Indian labour mercilessly.

What is more surprising, even the meagre wage fixed by the Government was, in practice, never paid to the worker. This also was admitted by the Tea Commissioners:

"In one garden, which we visited, the pay of twelve men, during the month of September had averaged less than Rs. 3|- each, and out of this rice had to be bought at Rs. 2|- a maund. Sixteen women had in the same month earned an average of only Rs. 1|8|- each. Among the women in another garden, the highest pay earned in one particular month was Rs. 1|13|9, and one had earned as little as Rs. 0|11|9... *Instances of this nature might be multiplied indefinitely. In most gardens, especially in Assam, the labourers earn very much below the minimum wages.*"<sup>12</sup>

And yet the Commissioners wanted us to believe that labour was demanding and getting very high wages in the tea gardens! Even a monthly wage of Rs. 0/11/9 was considered too high, to reduce which more cultivators were to be forcibly uprooted from their lands, more labour to be imported into Assam to create competition and force down wage-rates, and stricter discipline enforced by means of special Acts!!

Normally, in a free labour market, a demand for more labour creates a higher wage-rate. This is what happened in Bombay almost in the same period (1860-70), when the expansion of the textile industry led to higher wages. The Deccan Riots Enquiry Committee described the process thus:

"The ryots drew large sums from the competition for labour by migrating for a time to Poona or Bombay, where the labour available was employed at extravagant [?] rates. The monthly wages of a common cooly in Bombay rose from Rs. 7-12-0 in the period 1860-62 to Rs. 13-8-0 in 1863."<sup>13</sup>

Did the meagre average earning of a tea-garden labourer represent his real wage? On the contrary. It was only a nominal wage and herein lay the real tragedy of the plantation

<sup>12</sup> Ibid., p. 50. Italics mine.

<sup>13</sup> See Gadgil, D. R. *Industrial Evolution in India*. It should be borne in mind that even in and around the industrial belts of Bombay and Poona, the labour market was not free in the sense understood in capitalistically-developed countries of the West.



labourer. The following table shows how prices of food grains were rising rapidly during the decade 1860-70, although the workers' wages remained stationary and even showed a downward tendency, thanks to the special Plantation Acts.

Table 20

PROVINCIAL AVERAGES OF FOOD GRAIN PRICES<sup>14</sup>

(Seers per Rupee)

Year	Rice Bengal	Wheat N.W. Prov.	Wheat Punjab	Jowar Madras	Bajra Bombay
1861	27.07	18.45	19.23	25.54	21.55
1870	22.74	15.5	15.13	22.68	13.2

According to Gadgil, this was due to the fact that,

"from the middle of the century, the discovery of gold mines in Australia and California and silver in Mexico, suddenly increased the World's supply of precious metals; and it was about this time that the foreign trade of India was increasing rapidly... A large quantity of these precious metals therefore necessarily found their way to India and set up a general movement towards an increase in prices"<sup>15</sup>

Even in Assam, wages of all categories of workers, *other than tea-garden coolies*, increased in the ten years from 1850. According to Hunter:

"Wages have greatly increased within the last 20 years. [1850-70] Ordinary labourers now receive Rs. 6|- or 12 s. a month; agricultural day-labourers receive Rs. 6|- or 12s. a month, near the towns and Rs. 4|8|- or 9s. a month, in the rural tracts. .... The rates of wages in former times were as follows: In 1850 coolies and agricultural day-labourers received Rs. 3|-... In 1860 the rates for coolies and agricultural day-labourers were Rs. 4|-... Rates of wages may therefore be taken to have doubled since 1850 or within last 20 years"<sup>16</sup>

This statement was made with respect to the district of Goalpara, but this pattern of wage-rates prevailed in all the other districts.<sup>17</sup>

<sup>14</sup> *Ibid.*<sup>16</sup> Hunter, *A Statistical Account of Assam*, vol. ii, p. 60.<sup>17</sup> For further details see Hunter, *op. cit.*<sup>15</sup> *Ibid.*, p. 22.

*Mortality*

The Commissioners' Report says:

"The general mortality... has been extremely high; but instances can be adduced in all the districts in which the death-rate has been even more excessive, and in some cases, altogether appalling."

The following table will give some idea regarding the high rate of mortality.

Table 21

MORTALITY RATES IN ASSAM TEA GARDENS FOR THE  
HALF-YEAR ENDING DECEMBER 31, 1865<sup>18</sup>

Name of garden	District	Total strength	No. of deaths	Deaths per 1000
Moran Company	Upper Assam	357	88	246.49
Sappanulla	Nowgong	192	75	390.62
Bamonee	"	150	62	413.33
Sylhet & Cachar Tea Co.	Sylhet	467	103	220.55
Cherragong	"	203	113	556.60

Thus nowhere was the mortality rate less than 137 per 1000! Yet, this is not the whole truth. These figures were supplied by the planters who tried to minimise them as much as possible. The actual figures would be greater.

This heavy mortality was due to various causes like the unhealthy nature of the tea districts, the poor physique of the labourers (who in most cases left their villages during famine-conditions), miserable housing and living conditions etc. The Commissioners' Report says:

"The want of proper houses for the labourers has been another very serious evil. The Protectors' reports abound with instances in which the coolie lines have been in a most unsatisfactory condition, the roofs leaky, the sides falling to pieces, the floors low and damp, and the raised bamboo framework, or *machan*, on which the coolies should invariably sleep, altogether wanting. The provision of proper shelter for the labourers is a point in which there has been great carelessness and neglect. During our tour it was quite the exception to find coolie lines in any respect what they ought to be."<sup>19</sup>

Besides, the sites chosen for coolie-lines were not at all suitable for habitation. They were located

"on the very edge of the area which had been cleared and planted, with high rank jungle in their immediate neighbourhood, and not unfrequently altogether surrounded by it, the site often besides being low and swampy—a situation more unfavourable for health could hardly be imagined. In many instances there has been no attempt at drainage, and in others drains have been dug close beside the walls of each hut, where they were worse than useless, and have only rendered the floors even more damp than they would have been without them."<sup>20</sup>

It has always been a practice with the planters to give a false picture of the real state of affairs in the gardens. In the early days, some books were written on this subject in which the authors tried to give the impression that the workers were very happy there—much more happy than they could ever dream of in their native villages. One such author is Mr. W. N. Lees who wrote a book, *Tour Through a Tea District*, during this period, i.e. 1864-65. From this book we learn for the first time that the planters were to be congratulated for creating such remarkable and heavenly conditions for the workers:

"Indeed so well-off generally are the imported labourers that, getting their rice for Re. 1|- a maund, for which the planter has to pay perhaps Rs. 3|8-, they can afford to eat fish.... and other luxuries which they never could have dreamt of at their homes."

Not only was Mr. Lees lying, but he was lying too much! From what we have already shown, basing ourselves on authoritative sources, it becomes clear that these authors were only acting as mouthpieces of the British planters.

We shall again refer to the Commissioners' Report because this, for the first time, made a first-hand enquiry into conditions in tea gardens and enabled the public to learn something about what was happening.

"Another great cause of sickness and mortality among the coolies has been the want of sufficient food. In some cases there has been an actual scarcity amounting to absolute want....Rice, to which their diet has often been confined, however abundantly eaten, cannot support a human being in health for any length of time. Other elements are needed. Dal

(pulses), Oil, Ghee, Salt, Fish and animal food occasionally are required, and these the coolies have often been unable to procure".

Even fresh drinking water was not generally available. Water was drawn from a pool or muddy stream, lying stagnant for the most part of the year. At times, water had to be collected from some hollow of a rice field. There was no separate arrangement for washing or bathing, the same source served all purposes simultaneously. The effect of such impure water in a highly malarious province like Assam, can be well imagined.

### *Medical Treatment*

Like other necessities, this was also very much neglected. There was practically no arrangement for medical treatment, although Act VI of 1865 required each tea estate employing 300 or more workers to appoint a qualified medical officer.

### *Hours of Work*

From the very beginning, the hours of work for adult tea garden labourers in Assam were fixed at 9 hours a day. This was one of the conditions of their indentured service and though children under 16 did not come under this provision, they too were made to work the same hours as adults. In practice, however, 9 hours' work was not enough and the workers had to work longer. The monthly pay was based on piece work, i.e., a worker had to complete a given task in order to earn a full day's wage. According to the planter's calculation, this task should not normally take more than 9 hours to complete. But this was not in fact possible. The worker could not earn a day's wage even though he worked for 9 hours, because he could not finish his task. This is why most of the workers did not earn the wage sanctioned by the Act.

Plantation being a seasonal industry, the volume of work varies from season to season. So in the off season, the earnings automatically fell. In theory, the worker was entitled to extra pay for over-time work. But this was to be given only after he had finished his quota for the day and very few could ever draw this extra pay although they had to do extra work. It is true that besides cash wages, some other concessions were given to the worker. For instance, he received some land for cultivation. But then, he had to pay rent for this and when he worked on his own land, he did not get any pay from the garden. So altogether, it hardly brought any substantial increase in his earnings. It was, rather, a device

to keep the worker in eternal bondage. He had no right on the land and his tenancy was left entirely at the mercy of the planter.

### *Working of the Protector*

Act VI of 1865 referred for the first time to the appointment of protectors of labour, making it compulsory. As the name implies, the protector's duty was to protect the labourer against illtreatment from the planter. The Commissioners, on a careful review of the Protectorate, found that

"the working of the office has not been attended with the good effects which were anticipated... In no part of the Tea Districts, therefore, do we consider that the protection afforded to the cooly has been sufficient or satisfactory."<sup>21</sup>

This was only too natural because firstly, the officers appointed as protectors were not qualified to tackle problems of health and sanitation, which call for a medical practitioner; and secondly, they had no power to enforce the implementation of their suggestions. They functioned merely as advisory bodies.

We have tried to analyse the working of the two Acts passed in 1863 and 1865, and in doing so we found that these Acts failed to protect labour. On the other hand, they substantially helped the planters to exploit the poor labourers more ruthlessly.

But if the Acts failed to look after the workers' interests, public opinion, in Calcutta particularly, took up their cause and exposed the planters' misdeeds. Calcutta's daily and weekly papers launched a regular campaign against such oppression and injustice. The leading role in this protest movement was taken by the *Hindu Patriot*, followed by other papers like *Sanjibani*, and, later on, by the *Amrita Bazar Patrika*. The British Indian Association also was intimately connected with the campaign. The *Hindu Patriot* wrote, in January 1882:

"The British Indian Association had always taken an active part in opposing the obnoxious clauses of the cooly Acts, so much so that the Act of 1867 was actually vetoed on a memorial of the Association, and we also then endeavoured to do our duty in our humble way. We characterised the legislation of 1867 as 'legalising slavery'.<sup>22</sup>

<sup>21</sup> *Ibid.*, pp. 69-70.

<sup>22</sup> See also *Hindu Patriot*, August, 1867, for further reference.

## Chapter IX

### FROM 1870 TO 1914

ON the recommendations of the Commissioners, Act VI of 1865 was amended in 1870. The main feature of this amendment was the recognition of garden *sardars* as labour recruiting agents. Previously, only recognised local agents operating in the recruiting districts could collect labour for tea gardens. These local agents and *arkatis*, as we have seen, artificially raised the labour-price, to the great annoyance of the planters. So the latter, in order to avoid their dependence on this class for labour, began to send some selected men from the gardens (*sardars*) to their respective home districts to recruit labour there and bring them back. These *sardars* were paid a bonus on the number of workers they brought. This new system of procurement lowered the price of labour. The amendment formally sanctioned this system and thus helped the planter to save money. But the labourers' lot remained unchanged. Where previously only the *arkatis* and the local agents of the planters carried on the trade of trapping innocent people for the tea gardens, now another class, the *sardars*, joined them in this game of "who gains more".

The Act was again amended in 1873 whereby more facilities were created for recruitment by garden *sardars*. The purpose of the Act was to introduce free recruitment. Thus garden *sardars* were allowed to recruit labour without licence, only the number which each of them could collect was limited to 20 persons. Those who were thus recruited, did not have to sign their contract at the time of recruitment (before a local Magistrate), as was the procedure in the case of recruitment through ordinary agents. They were required to sign the contract only after arriving at the gardens.

Obviously the Government legalised this system only because the planters wanted it. It was free recruitment no doubt, but only in so far as it freed the planter from depending on the *arkati*. So far as the labourer was concerned, his conditions remained unchanged, and these two amendments failed to attract more labourers to the tea gardens.

Other Acts had therefore to be passed to facilitate labour recruitment. The industry was expanding rapidly and was in constant need of more and more labour. A new Commission of Enquiry was appointed on Oct. 18, 1880, to draft another Bill. The Commission submitted its final report together with a draft bill embodying the amendments proposed in the law, on Jan. 20, 1881.<sup>1</sup>

The chief findings of the Commission were: (1) lack of encouragement to free emigration, (2) unnecessary restriction of the *Sardari* recruitment, (3) absence of provisions for the enforcement of contracts outside the Act, and (4) insufficient protection against absence, idleness, and desertion of labourers.<sup>2</sup>

In accordance with the Commission's suggestions, an Act was passed in 1882 of which the most important feature was the permitting of free recruitment of labour. This was known as the Inland Immigration Act, 1882.

The method of free recruitment proposed in this Act made things worse still. About its results R. K. Das wrote:

"Uncontrolled recruitment led to some of the grossest scandals, of which the most important was heavy mortality among the recruits on their way to labour districts."<sup>3</sup>

The following table shows how rapidly the number of non-Act labourers increased in the two years since the passing of the Inland Immigration Act of 1882.

Table 22  
LABOUR FORCE IN TEA GARDENS<sup>4</sup>  
(1877-83)

Year	Act Labour	Non-Act Labour	Total
1877	44,549	91,258	135,807
1878	46,765	110,309	157,074
1879	49,930	128,165	178,095
1882	..	..	205,108
1883	..	..	237,404

<sup>1</sup> Annual Report on Labour Immigration into Assam (1880)

<sup>2</sup> Annual Report on Inland Immigration (1880), p. 82. See also Das, R. K., *Plantation Labour in India*, p. 32.

<sup>3</sup> Das, R. K., *op. cit.*

<sup>4</sup> See Annual Report on Labour Immigration into Assam for the respective years.

*Public Opinion*

From the labourers' point of view, this Act was of the worst. It was therefore natural that public opinion would be strongly against such an Act, designed to further enslave tea-garden labour. Even before it was passed, storms of protest were raised in Calcutta against it. When the Bill came up for discussion in the Council, the Indian members began to expose its heinous nature in a series of debates. It was popularly characterised as the "Slave Law". The lead in the opposition was once again taken up by the *Hindu Patriot* and the *Sanjibani*. Under the guidance of Mr. Kristodas Pal, its editor, the former paper wrote a member of articles analysing the nature of the Bill. Thus in January 1882, the *Hindu Patriot* wrote:

"Considerable excitement was caused among the native community of these provinces by the introduction of a Bill relating to the emigration of labourers into the labour districts of Assam. The Bill would have been hurried into law but for the timely protest of the British Indian Association, and the manly stand made in the Council by the Hon. Maharaja Jatindra Mohan Tagore." (The Bill had then been sent to a Select Committee).

The article then gave a detailed analysis of the Bill and proved conclusively that it was but a "Slave Bill in disguise". The main criticism of the British Indian Association was against the introduction of free recruitment through *sardars*, because in this system nobody was responsible for the welfare of the labourers during the entire phase from recruitment right up to their arrival in the gardens. Hence the Association wanted to place the *sardars* on the same footing as the local contractors.

However, in spite of rigorous opposition, the Bill was passed in the Viceregal Council on January 5, 1882. After it became an Act, the *Hindu Patriot* wrote:

"It should be borne in mind that the agitation against the Inland Emigration Bill has proceeded from the native community alone. And there has been a remarkable consensus of opinion among them on the subject.

"Throughout this struggle we were quite aware that we were carrying on an unequal contest. On the one hand there were arrayed the whole European Community, both official and non-official, having more or less direct interest in tea, and on the other were poor coolies, who were speechless."

A series of arguments and counter-arguments went on for quite some time between the different sections of the public, on the one hand, and the Government and the planters on



the other. The Tea Association (controlling the tea producing companies), wrote:

"The Bill is exceptional in character, as indeed the course of legislature on the subject since 1863 has been. This, however, is not the fault of the Tea Planters, but is rendered necessary by the exceptional nature of the conditions under which the Tea Industry is carried on in Assam and Cachar."

To this, the British Indian Association rightly replied:

"This Association entirely concur in this statement, but they humbly submit that if exceptional legislation must be had recourse to, it ought to be fair and just to both parties."<sup>5</sup>

The significance of the Bill may further be seen from the fact that even in England, it became a matter of discussion. Newspapers like the *Daily News*, began to comment freely on it. The Aborigines Protection Society in London (which had done praiseworthy work in connection with the abolition of slavery), resolved to take up the matter and appointed a Committee to go into it and move the Secretary of State not to give assent to the Bill. But all these efforts came to naught and the Bill was passed in its original form.

On April 3, 1882, Lord Hartington (then Secretary of State for India), in reply to Sir J. Campbell, said in the House of Commons:

"The Bill attracted my attention while it was under discussion in Council and I stated that considering the unhealthiness of some parts of Assam, and the high rate of mortality, ... it appeared to me that great caution was necessary in the legislating on the subject and that ... it would not be expedient to enlarge the period from 3 to 5 years. The Act has, however, been passed in its original form."

This shows that the promoters of the Bill were in a desperate hurry to get it passed and were not prepared to give to it a dispassionate and objective consideration. Guided only by the planters' interests, the Government did not care to weigh the views expressed unanimously by the entire public opinion in India. A few months afterwards, the *Aborigines Protection Friend*, the organ of the Society, wrote in an article, "This Act has been promoted in the interest of the tea planters, who have given it every support in their power." We find this truth corroborated by the *Annual Report on Inland Emigration* (1882), when the latter said that

"It has for some years past been considered desirable to discourage, as far as possible, recruitment through the agency

<sup>5</sup> See issues of *Hindu Patriot* for 1882.

of contractors and promote in its place the general employment of garden sardars."

To tackle jointly the problem of labour shortage, the Tea Planters' Association was formed in 1881 by the various planters. At its first annual meeting, the Chairman said:

"I think we may say that the representation made to the Government with reference to the new Coolie Act assisted materially in getting it passed in a form nearer to that recommended by the Commissioners appointed to consider and amend the old Act than would probably otherwise have been the case... *We all benefit by being united in such an Association.*"<sup>6</sup>

Why were the planters so very insistent now on organising themselves into an Association and doing away with recruiting agents? Because they had realised that unless they were united, labour would dictate its own price. Other industries in India like jute, textiles, mines, railways and Public Works Departments, were expanding during this period. These too were making their own recruitment of labour, and were paying much better wages than the planters. Therefore, in order to keep down the wage rates, planters, first of all, began to organise themselves into a body and came out with a uniform rate of wages. Secondly, due to great improvements in transport and communication between Assam and other labour recruiting districts, it was becoming easier to import labour without the help of *arkatis* and other local agents.

By eliminating the middle-man's role, the planters could greatly reduce their cost of importing labour. Accordingly, emigration acts, framed in a manner that would facilitate this new procedure, became necessary for them. As a government report pointed out:

"When an Inland Emigration Act was first placed on the Statute Book, the intention was to protect the emigrant; but with the growing prevalence of free emigration the retention of such an Act would serve as a protection, not so much to the emigrant as to the planter."<sup>7</sup>

Act I of 1882, with provisions for both free and assisted recruitment, did not require contracts to be signed in the recruiting districts as was the case previously. A section of the planters as well as Government thought that in the course of a few years, there would be no necessity for recruitment

6 *Hindu Patriot*, February, 1882, p. 101.

7 *Annual Report on Inland Emigration* (1883), p. 3.

through *sardars* and local agents, that emigrants would come of their own accord. In the following report, we get an optimistic picture about prospects of free emigration:

"The experience of the last two years has shown the tea planters of Assam that they can obtain labourers more rapidly and more cheaply without having recourse to the procedure provided for recruitment in the Emigration Act, and the labourers so obtained are willing, on arrival at Dhubri, or at the labour district to execute contracts for the maximum term of 5 years . . . It is not surprising therefore to find that year by year the proportion of free emigrants to contractors' and sardari emigrants increases."<sup>8</sup>

After analysing the experience of five years since the implementation of Act I, it was thought that emigrants might be expected to come to Assam in large numbers without much assistance, and that the system of contractors, *arkatis* etc., would die out in due course. But instead of this, the great and ever-increasing mass of the labour supply business remained in the hands of the professionals, with this difference, that whereas formerly these persons worked under strict regulation and control, they now, under the "free emigration" system, worked free from all control and, as a result, certain evils, more or less incident to any system of emigration, had been considerably aggravated.<sup>9</sup>

Free emigration, we thus find, did not work. It could not because the very basis of plantation industry was opposed to free labour. Acts were still necessary to force the labourer to sign a contract and then work in the tea garden at a wage-rate normally much below that existing in other industries.

About this time the Indian manufacturers were building up the textile industry around Bombay, thus seriously challenging the Lancashire textile magnates in the Indian market, a great hue and cry was raised in the British Parliament by the latter demanding that the Government impose on the Indian capitalists certain obligations restricting hours of work in factories etc. *The purpose of these restrictions was to allow the Indian labourer to share a part of the surplus value created by them and thus reduce the rate of profit of the Indian capitalists.* In a speech in the House of Lords on 30th July, 1875, the Earl of Shaftsbury said:

"We must bear in mind that India has the raw material and labour; and if we allow the manufacturers there to work their operatives 16 or 17 hours and put them under no restrictions.

we are giving them very unfair advantage over the manufacturers of our country."<sup>10</sup>

As a result, the first Factory Act was passed in 1881.

The British capitalists had nothing to fear however from excessive exploitation of labour in the tea gardens because there there was no Indian capital to challenge them. On the contrary, they welcomed it because it enabled them to raise their rate of profit. The poor labourer, of course, had to drag on in the same old way. There was no improvement in his life in any way. His average monthly pay continued to be much below the rate fixed by the Emigration Act. In Lakhimpur district, the average monthly earnings of a labourer for the year 1881 was about Rs. 3-8-0. In Karimgunj district, according to the S.D.O's report (1883),

"the average wages show an extremely low rate of wages... There are not a few gardens at which I found the rate of wages of Act-labourers less than Rs. 3/- during last cold season. With rice at Rs. 3/- a maund, or close to that figure, *it can hardly be said that this is a fair rate of wages.* Bengalis in the adjoining villages earn without difficulty Rs. 7/- per month. The cooly who works in an unhealthy climate should at least be able to earn more than half that amount... A low scale of wages is usually accompanied by a high mortality, as I have repeatedly notified in my inspection reports."<sup>11</sup>

A tea garden coolie's income was thus less than that of an average villager. Even those engaged in the Commissariat Department of Assam, were paid Rs. 8/- per month together with rations; their period of indenture was also shorter—only one year.<sup>12</sup>

These facts show the peculiar characteristics of colonial economy. The capitalists of the metropolitan country investing their capital in the colony enjoy all the benefits of capitalism plus "something more" in colonial economy, but the workers are made to bear the burden of feudal serfdom, imposed in a capitalistically operated market. This intermingling of capitalist exploitation from above and feudal conditions of servitude from below, "this loss of his old world, with no gain of a new one", creates for the working class in a colony a veritable living hell.

In England and France, the growth of capitalism over the ashes of feudalism helped to free the working people from their feudal bondage. This freedom and the creation

<sup>10</sup> Quoted by Punekar, S. D., in his book, *Trade Unionism in India*, p. 57.  
<sup>11</sup> *Annual Report on Labour Immigration into Assam* (1883) pp. 10-11.

<sup>12</sup> *Hindu Patriot*, 1882.

of a capitalist market, enabled them to raise both their income and standard of living. The following table gives a comparative study of prices of food-grains in Britain and India during this period:

Table 23  
INDEX OF FOOD-GRAIN PRICES IN INDIA  
AND BRITAIN (1873-1914)<sup>13</sup>

Year	India	Britain
1873	100	111
1894	114	63
1905	117	72
1910	168	78
1914	222	85

The figures for India do not take into account famine periods, when prices shot up further still.

And famine was always a boon for the planters. Emigration would receive a great boost during such periods of scarcity and wages would fall automatically as there would be competition among emigrants.

Low wages, bad sanitary conditions, poor diet, constant ill-treatment—all these persisted though Emigration Acts frequently changed. To maintain himself even in such a miserable state, a coolie had to work very hard under the strict supervision of the *sardar*. Bad physique or ill-health was no excuse. To earn his daily wage wrote the *Hindu Patriot*

“a coolie is required to work on 30 *hulls* or 6 *cottahs* of land a day, in hoeing and cleaning. This work is exacted from him whatever time it may take him, and he is sometimes obliged to work till dusk or night-fall. If it be night, the poor fellow is kept in the custody of his *sardar* to complete his *hazira* or day's work. At the end of every week he is allowed 6 *seers* of rice.... During sickness a coolie is supplied with rice, if there is hope of recovery, when his case becomes hopeless his supply is stopped... If a coolie is absent one day for sickness he loses his rest for 2 Sundays, if for two days, all the Sundays for the month.”<sup>14</sup>

### *Labour Movement*

Unable to stand such a severe life, the workers frequently ran away from the gardens. “Desertion” was therefore a

<sup>13</sup> Pillai, P. P., *Economic Conditions in India*, p. 25.

<sup>14</sup> *Hindu Patriot*, March, 1882, p. 146.

very common phenomenon, though it was not an easy task, particularly for those who had their families with them. The other alternative was to revolt against the planters. But the workers had no organisation to guide or lead them in their revolts. Nor was such a united organisation possible at that time. Most of the workers came from most backward communities, having very little class consciousness. Besides, they were deliberately kept under conditions under which frequent meetings or exchange of views or collective discussions were not possible. So, at that time, there was no labour movement in the present sense of the term. Instead, what we find is retaliation by the workers individually, or at times collectively, when things became too unbearable. Such protest actions were of course always dubbed by both the planter and the Government as "crimes", and severe punishments were permitted by law for such "crimes". But, analysing the nature of "crimes" from the statistics, it becomes evident that most of them were not crimes in the ordinary sense but forms of workers' protest-struggles against oppression and ill-treatment.

The truth of this statement can be proved with the help of Government reports. "In Lakhimpore there was one case of organised opposition, in which a new manager, who had made himself unpopular by excess of zeal in the direction of reform, *caned* one of the coolies, whereupon the coolies retaliated and beat him severely."<sup>15</sup> From Cachar, 6 cases of insubordination were reported in the same year (1884). The Deputy Commissioner described one such action in the following terms:

"In the sadr the only serious offence committed by coolies was a riotous attack on the manager of Bowalia garden. The assault was a very serious one, the manager being kept a prisoner for some hours in his house; but he had to a certain extent brought the attack on himself by defiantly caning a boy in the presence of the assembled coolies. About half a dozen men were sentenced to various terms of imprisonment... the manager was fined Rs. 200/-. The judge *upheld* the sentences on the coolies but *reduced* the fine on the manager to Rs. 50/-."

In another case, a native manager was assaulted by the coolies for insulting their women. Here is another example:

"The Manager of the Tiplunk Tea Estate complained that a gang of about 30 Ganjamese of his garden struck work and left the garden. A chowkidar was sent after them to persuade them

to return to the garden. He was beaten by the coolies. After beating the chowkidar and going armed in a riotous manner down to Paritola, these coolies attempted to attack their manager. Five of the ring leaders were prosecuted and punished."<sup>16</sup>

The official reports attempted to hide the real state of affairs and create an impression that the coolies were to be blamed. According to emigration rules, any assembly of the workers could be declared unlawful, and legal steps could be taken against them. The motive behind this was to prevent the workers from organising themselves, or to resort to organised actions to defend their legitimate rights. In the year 1887, according to a Government report, such types of crimes ("rioting" and "unlawful assembly") increased from 86 to 243; the increase being mainly due to attempts made by the planters to compel the workers to work harder. The newspaper *Hitavadi* reported a case where coolies were asked to work seven days in a week! When they protested, the help of the Indian Penal Code was invoked, and 5 of the coolies were punished. The Workmen's Breach of Contract Act of 1859 was always available to justify all such legal actions.

The Act of 1882 was amended in 1889 and again in 1893, after prolonged discussion extending over 4 years. The main question before the legislature was how to increase the supply of labour. The planters had, by this time, realised that certain minimum precautions had to be taken to reduce the mortality rate, because, ultimately, its high level affected them adversely. In order to extract the maximum amount of value from the labourer, it was necessary to see that he did not become absolutely unfit for work. Moreover, unless there was some reduction in the mortality rate, they could not expect any improvement in the labour emigration position. The two subsequent amendments referred to above, gave some directives in this respect.

The following table shows the increase in labour force and corresponding expansion in the area of tea cultivation:

Table 24

AREA UNDER TEA CULTIVATION AND TOTAL LABOUR FORCE IN ASSAM<sup>17</sup>

Year	Total Area (acres)	Total Labour Force (annual mean)
1880	153,657	122,955
1885	197,510	188,262
1893	254,126	302,558
1896	291,909	366,460

<sup>16</sup> Ibid. (1892), p. 59.

<sup>17</sup> Ibid. For the years 1893-96.

The problem of labour shortage during this period (1893-94) was not felt by the tea industry alone. It was a common problem for all other industries like coal, jute etc. in Bengal. So the Government of Bengal set up a Commission of Enquiry to investigate into the causes of labour shortage. The Commission strongly criticised the abuses which were practised in recruiting labour. Kumar Dakheneswar Malia, one of the members of the Commission made the following comment:

"These latter [*arkatis*] who are totally devoid of all feelings of humanity, with scarcely any scruple of conscience, not content with enticing only the low caste people away, often employ their vile arts on young women of good but ruined families. They often succeed in their nefarious practices, and bring shame and disgrace not only on women they abduct, ultimately to swell the numbers of inmates of brothels... the *Arkatis* impose upon the women of high caste people, whom they confine in their vile dens of pollution, and after satisfying themselves in criminal enjoyment with the unhappy women, afterwards send them to *tea gardens*, there to rot and die... It is however a wonder to me that in every case the culprit escaped quite unscathed..."<sup>18</sup>

The Commission was in favour of abolishing the free contractor's system and introducing a system of initial registration in all recruiting districts. It also suggested the creation of a Central Recruiting Agency for the supply of labour to the entire tea industry of Assam. Steps were taken in 1896 to implement this suggestion and the Agency came into existence. It aimed at preventing malpractices in recruitment and reducing the cost of labour import. The *sardari* system was to come under its control and the *arkati* system was to go within a fixed time limit.

A severe cholera epidemic broke out in 1896 and emigration had to be stopped from Bengal and C.P. In 1897, most of the labour recruiting districts were faced with acute scarcity. As usual a marked improvement occurred in labour import, but the wage rate remained unchanged. The Chief Commissioner had to admit that the existing wage rate was not at all sufficient:

"During the 40 years that have elapsed since coolies were first imported from Bengal, the prices of all commodities in Assam have risen greatly, but wages are at almost the same level now as they were then."<sup>19</sup> (Italics mine.)

18 Labour Enquiry Commission Report, 1896, p. 53.

19 Annual Report on Labour Immigration into Assam (1896), p. 24.



The same story was repeated in 1900, which was also a famine year. The Annual Report stated:

"Converted to a daily rate, the average wage paid to men has been a little over two annas and nine pies and the average paid to women has been a little over two annas a day. *This is a miserable average pittance and leaves no room for doubt that the employees have been endeavouring to effect economy in working rates at the expense of the labour force.* Coolies were not paid higher rates in the fourth year to which they were entitled. *Rice was not paid at agreed rate.* Subsistence allowance was not paid to sick coolies".

*Even the Chief Commissioner believed that low wage rates were the most serious of the troubles from which the tea industry was suffering.* He thought that if higher wages were paid to the workers then the indenture system would not be necessary and the planters would gain thereby. It was in this background, with the Commissioner's recommendations in 1895, that Act VI of 1901 was passed repealing Act I of 1882.

The main provisions of Act VI were: (i) Local Governments were empowered to close any area to recruitment except in accordance with the provisions for licensed contractors and certified garden *sardars*; and (ii) Local Governments were granted option to relax any provisions relating to recruitment by garden *sardars* working under approved agencies, or associations.<sup>20</sup>

The Act however did not give effect to the Chief Commissioner's suggestions regarding wage increment and abolition of penal sanctions granted by the Immigration Law. The Chief Commissioner, Sir Henry Cotton, had warned about the serious consequences that might follow if these two points were not given due consideration. The planters, instead of listening to the suggestions, raised a storm of protest and forced the Government to reject them.

Two years after the Act was passed, serious labour trouble broke out in the gardens, as forecast by Sir H. Cotton. These disturbances became a source of worry to the Government of India, who could no longer afford to remain a complacent spectator, in view of the increasing number of clashes between the planters and the labourers. They, therefore, requested the local Government to send them a report. The Assam Government deputed Mr. J. C. Arbuthnot to look into the matter.

After a thorough enquiry, Mr. Arbuthnot reported that the indenture system was mainly responsible for the labour

trouble. The Government of Assam and Bengal also came to the conclusion that the labour troubles were primarily due to: (i) the restricted freedom enjoyed by the labourers, (ii) the penal clauses of contracts, and (iii) the right of private arrest enjoyed by employers. They therefore recommended the withdrawal of Act VI of 1901.

A Commission was again set up in 1906, and on its recommendation, Act VI was amended in 1908 enabling the local Governments to dispense with or relax some of the provisions of the former Act. The right of private arrest was abolished. Contract under Act VI except in recruiting districts was stopped. Neither the time-expired labourers nor those brought to Assam as free immigrants could be put under Act VI. Recruitment by unlicensed contractors was stopped. In the same year, penal provisions for breach of contract were also withdrawn from 4 labour districts and in 1914 from the other 4 remaining labour districts. In 1915, the Assam Labour and Immigration (Amendment) Act VIII was passed and recruitment by contractors and uncertified garden *sardars* was abolished and a Labour Board was formed to supervise local agents, recruitment, engagement and emigration of labourers to Assam.

The only method of recruitment left open after the Act of 1915 was passed, is the garden *sardari* recruitment working under the control of local agents, who must be officially licensed. The garden *sardars* are legally entitled to recruit only in their own districts and have to be authorised by their employers. The entire system is supervised by the Assam Labour Board, consisting of an official Chairman and 15 representatives of the tea industry and of course no representative of the workers, for whose welfare it is supposed to have been constituted! The actual recruitment is done by the Tea Districts Labour Association, directly sponsored by the tea producer's organisation—the Indian Tea Association.

The indenture system was thus finally abolished in 1915, but most of the evils connected with it still remained. The reader must have noticed that this system was gradually becoming out of date from the beginning of the present century. Accordingly, the planters were resorting more and more to the powers granted by the Workmen's Breach of Contract Act (1859) which was still in force, in restricting the worker's freedom of movement. The Chief Commissioner of Assam had recommended the withdrawal of this all-powerful and indefinite Act in 1888, but his immediate successors favoured its retention, which was also accepted by the Government of India with the consent of the Secretary of State.

This was because the Act gained great popularity with the planters. According to the District Collector of Sylhet, "Any attempt to repeal the latter Act [XIII of 1859] would be met with very strong opposition."<sup>21</sup> The Assam Labour Enquiry Committee of 1906 also advocated its retention.

This Act stood as the major stumbling block in the building up of Trade Unions in our country. Therefore, from its formation in 1920, the All-India Trade Union Congress repeatedly demanded its repeal. Due to pressure from the working class, the Act was modified by Act XII of 1920. On the 10th of September, 1921, a resolution was introduced in the Legislative Assembly to repeal the Act. The Government had to admit that it was not based on any democratic principle but refused to repeal it immediately. The Assam Labour Enquiry Committee of 1921-22 (about which more will be said later on), by a majority decision recommended its withdrawal. Meanwhile, country-wide agitation and systematic pressure by the non-official members inside the Assembly, compelled the Government to bring forward a Bill in 1925 repealing the former Act. The Bill came into force on April 1, 1926.

This is the short history of the growth and abolition of penal laws in labour contract in British India, and we now go back to study the various other problems connected with the life of a tea garden labourer both before and during the First World War.

<sup>21</sup> Annual Report on Labour Immigration into Assam (1884), p. 3.

## Chapter X

### FROM 1914 TO 1948

We have seen before how the tea companies were making enormous profits during all the years since 1870, with the exception of a few periods of depression. We have also noted the wage rates of the workers and the food grains price indices prevailing towards the close of the last century and the beginning of the present one. All the legislation that was passed from time to time did nothing to increase the wage rates, which were fixed once and for all, in 1865. Since then, the question was left entirely to the planters. Naturally, the planters took the maximum advantage of this neutral attitude shown by the Government and the wage rates remained almost stationary. The workers also could not force any increment as they had no organisation to fight for their cause. The following table shows the wage rates during this period:

Table 25  
AVERAGE MONTHLY WAGE IN TEA GARDENS<sup>1</sup>  
(including ticca, diet, ration, subsistence allowance  
and bonus)

Year	Act Labourer		Non-Act Labourer	
	Men	Women	Men	Women
	Rs.	Rs.	Rs.	Rs.
1910-11	5-11-0	5- 1-6	5-11-6	4- 6-7
1913-14	5-11- 5	5- 5-9	6- 1-3	4-11-5
1918-19	8-10-11	8-13-4	6- 2-9	5- 0-3

During World War I, production of tea increased very much, from 312,821,000 lb. in 1914 to 380,349,000 in 1918. The price of tea also went up. According to statistics, the price in-

<sup>1</sup> Production of Tea in India (1914-19).

dex rose from 100 in 1910-11 to 133 in 1918-19. Consequently, to cope with the increased demand for tea, the number of workers also increased from 644,758 in 1901 to 973,400 in 1919.

Of the 128 tea companies in India, 71 declared dividends for 1919 amounting to 20% on the aggregate capital of Rs. 2,21 lakhs. Prices of all commodities, including those of food-stuffs rose enormously, particularly during the war. Yet, the worker was supposed to lead a happy and contented life with a meagre increase in his wage. The total average monthly pay of a tea garden worker was much less than even that of an unskilled worker in other industries, though the latter also was getting much less than a living wage. It is in this background that we propose to study the labour problems in the tea gardens in the post-World War I period.

The Indian working class emerged for the first time as an organised force in the socio-political arena after the War. The rapid rise in prices, on the one hand, and the fall in purchasing power on the other, coupled with retrenchment and withdrawal of various concessions conceded during the war, led to a series of strikes all over the country. The strikes broke out in almost all the industries immediately after the war. It was in this period too that the anti-imperialist sentiment of the Indian people began to express itself through the Swadeshi Movement started by the Indian National Congress. The victory of the Russian Revolution and the creation of the first Socialist State could not but bring in a new message of hope and encouragement to the toiling and exploited masses all over the colonial countries. The All-India Trade Union Congress was formed in 1920, with a view to organising the Indian working class under one united and central body, to defend its legitimate rights. All these factors created in the country a new upsurge against foreign imperialism. A new and fighting India was awakening, and the wave of this new awakening could not be kept confined within the strict limits of urban consciousness only. It gradually spread and ultimately touched even the distant borders of the country in the province of Assam and awakened the downtrodden tea garden labourer from his age-old slumber. Along with all these political factors, the tea garden labourers were faced with an acute economic crisis; their remuneration was too meagre to enable them to purchase their daily necessities as the market prices of all articles had gone up very high. This applied not only to the tea-garden labourers but to the entire working people of India. Naturally the T.U.C., in its efforts to co-ordinate and guide the spontaneous and scattered working class movements, could not keep its eyes shut from what

was happening in the tea gardens. Soon after its formation, the T.U.C. issued a manifesto and in it we find a reference to the tea gardens. "Workers of India!" ran the Manifesto, "Look at the slaves of the Assam Tea Plantations, now become desperate. Their real daily wages are less than 3 annas, prescribed under Government Act."

In the midst of this economic crisis, the momentum for launching a country-wide political movement was gaining ground due to the imposition of the Montagu-Chelmsford Act against the will of the entire country. The major political party of the country, the Congress, decided to launch the non-co-operation movement and its leaders began their political tours to organise the masses. Assam did not lag behind; the local Congress leaders gradually came to realise that the success of their non-co-operation movement would depend, to a large extent, on how far the tea garden labourers could be drawn into it. The percentage of the tea garden labourers to the total population in Assam was not negligible (even to-day, it is not), and so some of these leaders started their campaign among them.

Besides this, the economic crisis and the consequent unrest among the plantation labourers, compelled them to break their isolation from the rest of the people and in spite of all sorts of attempts on the part of the planters to keep their workers isolated, they began to participate in the general political activities of the rest of the people. The common meeting ground for all was naturally the local bazaars where workers used to come regularly for marketing. Here they used to listen to the speeches of various political leaders, and gradually a regular interchange of ideas among the different sections of the people began to take place.

The effect of these meetings was soon to become manifest. The workers came to realise for the first time that something must be done collectively to put up an organised resistance to the oppressive policy of the planters. They were even prepared to face all the unpleasant consequences that might follow for them for taking such steps.

### *Labour Movements*

A series of strikes began to break out in the various tea-producing districts. The Assam Labour Enquiry Committee wrote:

"The first sign of trouble occurred at Hansara (Lakhimpore district), a garden of the Doom-Dooma Company, on the 6th of September, 1920, when different sections of the labour force refused to turn out for work. The complaint made was that

the rice issued at Rs. 3/- a maund was insufficient and of bad quality... On the 15th of September at Raidang, a neighbourhood garden of the same company, the coolies struck work, a garden jamadar was beaten and two European Assistants attacked."<sup>2</sup>

More serious trouble occurred on the 21st of September at Pabhojan Tea Estate, and its neighbourhood gardens. The main demands here were increase in rice allowance and wage from Rs. 6/- to Rs. 8/- per month. On the 25th of the same month, strikes broke out in the other tea estates of Lakhimpore district. (These were known as Doom Dooma riots.) In this connection, the Deputy Commissioner of Assam Valley said:

"The failure of wages to respond to the enormous rise in prices and the ease with which the employees of the Dibru-Sadiya Railway had, by a strike, secured an increase of pay were quite sufficient to cause unrest among tea-garden coolies."<sup>3</sup>

It should be noted that the average wage in the Dibrugarh sub-division was Rs. 10-10-9 in 1911-12 and Rs. 8-8-1 in 1918-19, i.e. there was a reduction in wages although prices of all commodities had gone up, and the Pabhojan Tea Co. paid a dividend of 35% in 1918-19 and 25% in 1920, the Doom Dooma Co. paid a dividend of 15% in 1918-19 and 10% in 1920.<sup>4</sup>

#### *Movements in Darrang District*

On the 16th of October 1920, strikes broke out at Monabari and Katonibari gardens. About 2000 workers were involved in these strikes. The Deputy Commissioner again pointed out that "The rate of wages in force had remained unchanged for a quarter of a century." Further, he said, "In view of the enormous increase in the cost of all food stuffs and of all articles of wearing apparel, I think no further comment is necessary."<sup>5</sup>

Here is a table showing wages earned by the workers in 1919 and 1920:-

Table 26  
WAGES IN TEA GARDENS (1919-20)

	Sept. 1919	Sept. 1920
Men	Rs. 11- 4-10	Rs. 7-11-6
Women	Rs. 9-11- 0	Rs. 7- 0-9
Children	Rs. 6- 3- 1	Rs. 4- 3-4

<sup>2</sup> Report of the Assam Labour Enquiry Committee, 1921-22, p. 6.

<sup>3</sup> Ibid., p. 6.

<sup>4</sup> Ibid., p. 7.

<sup>5</sup> Ibid., pp. 7-8.

This table speaks for itself and there is no need for any comment.

### *Movements in the Sylhet District*

The most famous of all these strikes was the one which took place in the Chargola Valley in Sylhet District, popularly known as the *Chargola Exodus*. It is also famous for the repression which was let loose on the workers for participating in this strike.

On May 3, 1921, about 750 coolies struck work at Ratabari Tea Estate, after their demand for an increase in their daily wages to 8 annas and 6 annas for men and women respectively, was turned down. They left the garden peacefully and went away. The manager went along with them trying to persuade them to return, but failed. This failure made the garden authorities furious. They got warrants issued against the leaders of the movement and arrested some of them with a view to frightening the workers into giving up their struggle. But their plan failed. As a protest against this repression, strikes broke out throughout the length and breadth of the Chargola Valley. More than 8000 workers participated in these strikes.

Meanwhile, the non-co-operation movements had been started and the Surma Valley, particularly Sylhet, responded magnificently to the call of non-co-operation. C. R. Das had visited the Surma Valley in March and had spoken at a number of public meetings. A few months earlier, in September 1920, the Surma Valley Political Conference had been held, where the tea planters' game of ruthless exploitation was thoroughly exposed, and where it was resolved to organise the workers to stand up against the planters' repression. The Conference adopted the following resolution:

"In view of the fact that the European merchants and planters of the Surma Valley have systematically opposed the national aspirations and legitimate claims of the people, and in view of the fact that the said merchants and planters of this Valley have frequently oppressed and tyrannised the Indian employees under them and have more than once trifled with their lives, ... this Conference is of the opinion that complete non-violent non-co-operation is the only effective measure to guard against the continuance of such actions."

Coming back to the period of the strike, we find that on 1st and 2nd May, 1921, two public meetings were held at Ratabari. Hundreds of tea garden workers came to attend these meetings where, along with the analysis of the political



situation, speeches were made supporting the workers' demands as legitimate and fair.

We have seen that the exodus from the Chargola Valley started on 3rd May. Simultaneously workers from the neighbouring Longai Valley gardens also began to leave. About 20,000 took part in the exodus from the Valleys.

Besides Chargola, other parts of the Surma Valley were also affected. In February, meetings were held at Srimangal, attended by workers from nearby gardens like Balisera. On 31st March and 2nd April, there were public meetings at Brahman Bazar and Tilagaon; then again on 11th and 12th April, at Rajnagar, following which strikes broke out at Lungla Valley in the gardens of Lungla, Ghazipur, Labac etc. The culminating point was reached a month later, in the Chargola Exodus. Strikes occurred in the Dholai Valley gardens in South Sylhet in the first week of May.

In Cachar district, strikes began in April 1921 and continued throughout the year with interruptions from time to time. Strikes also occurred in the same period in Sibsagar district.

In October some minor strikes broke out in the gardens of Sonajuli, Kacharigaon, Dhendai etc., in Darrang district.

The *Amrita Bazar Patrika* wrote on 20th May, 1921:

"The strikes of the coolies of the tea gardens of Assam is really a revolt against age-old tyranny and exploitation to which they have been the most helpless victims... But his redemption has at last come. From whom? Not from any outside agency, but from himself. He is determined to break his shackles for ever or die in the attempt."<sup>6</sup>

By the end of May, the general exodus of workers from the Surma Valley rose to such a height that work came to a standstill in almost all the gardens. The entire tea-producing region looked like an abandoned country. Workers in thousands began to march towards the nearest railway stations after leaving the gardens. This news spread quickly to the neighbouring villages where there was great enthusiasm. Villagers came forward with open arms to help the marching workers. The whole Valley was stirred as never before. *The general strike of the tea garden workers had reached its peak.*

To stop the exodus, various schemes were proposed both by the Government and the planters. On 6th May, a meeting was held at Dulabcherra Club (in Karimgunj), between the planters and Government offi-

cials, including the Deputy Commissioner of Surma Valley. "In the minutes of the meeting it is recorded that there was a consensus of opinion that wages were too low. The rates of 6 as. and 4 as. were proposed by Mr. Bather of Dulabcherra Tea Estate." But the Agency Houses in Calcutta refused to sanction the increment and the meeting served no purpose. In the meantime, thousands of workers had come to Karimgunj Railway Station and stayed there, awaiting trains back to their native villages. To stop them from going away, the Railway Authorities refused to issue tickets to them although they were willing to pay the required fares. Thereupon, they decided to walk and set out on their journey. About 600 workers bound for Chandpur were detained illegally at Kalura. On 17th May, the District Magistrate stopped about 1000 workers from boarding the train at Goalundo. They were later detained on the platform under police guard.

"The next morning, they were driven away. The Congress volunteers fed them at a place 3 miles off and arranged to entrain them for Khoksa, but the local authorities drove them to Belgachi, where they received all sorts of help from the public. At Belgachi in due course, the District Magistrate arrived and would not allow them to enter the train, even though the local people offered to purchase the tickets for the coolies. The next morning he relented so far as to allow them to proceed to Kusthia. Many of them died of cholera in this march."<sup>8</sup>

By this time, the Government had come to realise that unless some increment in wages was conceded, it would not be possible, merely by force, to compel the workers to go back to the gardens. Hence the District Commissioner asked the workers to go back to their work and promised to raise their daily wages to 6 as. But the offer came too late. The workers were determined to leave the gardens. No amount of temptation would now change their firm decision. They rejected the offer. Finding that unless some relief measures were taken, most of the workers would die and that this would have further repercussions in the charged political atmosphere, the Government had to open some centres for distributing doles to the workers. But though they were passing through terrible hardship, not a single worker went to accept "help" from these Government-sponsored relief centres.

<sup>7</sup> Evidence of Mr. R. Hunter before the Assam Labour Enquiry Committee (1921-22).

<sup>8</sup> Chaman Lal, D., *The Cooly*, vol. ii, p. 17. See also *Modern Review*, June and July issues, 1921; and the *Report and Evidence of the Assam Labour Enquiry Committee (1921-22)*.

Unable to break the strike in this way, the Government decided to adopt, once again, a repressive policy, and the repression that was then let loose on them will always serve to remind the people to what extreme lengths the exploiter class and its Government can go in order to keep the toiling masses in bondage.

Not satisfied with disallowing the workers from boarding the train at Goalundo, the police officials, acting on the advice of some planters, ordered the gangway at the steamer *ghat* to be disconnected, thereby preventing the workers from boarding the steamer. Then the police started searching the person of each worker so as to ensure that none of them had any money with him. The idea was to starve the workers and compel them to give up the struggle. Starting with lathi charges and floggings, no atrocity was left untried to force them back to the gardens.

Immediately after the exodus started in May, all meetings and demonstrations had been prohibited within seven miles of the tea gardens, under orders from the Commissioner.

On the night of the 20th May, at Chandpur Railway Station, the 3000 stranded workers, including many old women and children, were suddenly baton-charged and flogged without any warning. On hearing this news, the whole town was shocked. People began to rush to the Station, "but were prevented from indulging in violence by their leaders led by Mr. A. C. Dutt."<sup>9</sup> Not satisfied with this, the next day, when the coolies were sleeping, the Gurkha police "with fixed bayonets charged into the crowd of coolies huddled up for the night." The result of such a bayonet charge on an unarmed and unprepared assembly, including large numbers of women and children, who had been starving for days together, can be well imagined.

This barbarous and unheard of repression roused the entire town of Chandpur. A general hartal was spontaneously declared in protest. The hartal was a terrific success. The entire town was paralysed.

As soon as this news spread to the neighbouring towns, people there also declared hartals. "Iswarganj lawyers suspended practice; Netrokona lawyers went on strike. Silchar and Khalia declared a general suspension of business. Goalundo declared a railway and steamship strike." Soon after, the hartals spread to Barisal, Sylhet and Dacca. *Then, on 25th May, came the famous Assam-Bengal Railway workers'*

<sup>9</sup> Evidence before the Assam Labour Enquiry Committee (1921-22), pp. 82-3. Also Chaman Lal, D., *op. cit.*, p. 19.

*strikes as a mark of protest against the Chandpur incidents.* This was one of the first occasions when the workers of one industry declared a sympathetic strike with those of another industry as a mark of class solidarity and clearly showed that the class consciousness of the Indian worker was growing even as early as 1921.

On behalf of a non-official investigation committee, Mr. C. F. Andrews visited Chandpur and, after a thorough enquiry, gave the following report:

"It made my blood hot with indignation to see these pitiable derelicts of humanity.... The Commissioner also told me that he had ordered the whistle finally to be blown, because he saw the violence that was being used was too great....

"The issue before the whole of India to-day, and not merely before Bengal, is simply this. The Government not only of Bengal but of India, in its actions, had come more and more to side with the vested interests,.... against the poor and the oppressed."<sup>10</sup>

The mighty strike wave, combined with country-wide agitation, finally compelled the Government of Assam to bow down and appoint a Committee "to enquire into the conditions of the tea garden labour in Assam."

The Committee though constituted primarily to enquire into the conditions of the workers, did not include a single representative of the workers though a few planters were included in the panel. It is hardly possible to imagine that planters would ever thoroughly expose their own ruthless oppressions and truly speak for the workers, and yet this is what the Government expected! Moreover, the Committee did not consider it necessary to examine a single worker witness. To justify this, the public was told that,

"Political agitators and volunteers were making every effort to disturb labour on tea estates. It is doubtful if reasonable and fair conclusions would have been arrived at in any case by adopting this mode of enquiry and the risk of playing into the hands of unscrupulous agitators had to be taken into account."

The main questions before the Committee were (a) to enquire if the existing remuneration of a tea garden worker was sufficient in view of the rise in cost of living, and (b) whether it would be desirable to convert the various concessions which were given to the worker into their equivalent money wage.

The significance of these terms of reference is to be found in the fact that according to the planters the workers were economically quite well off, earning enough to live happily and that the strikes, etc. were started mainly by outside political agitators, that there were no genuine economic grievances behind them. It is therefore obvious what would be the planters' reply to the first question: most of the tea garden managers replied in the affirmative on the first point.

The Committee, however, came to a different conclusion on this question:

"The Committee desire to dissociate themselves from the view that political agitation was the sole and only cause of the recent unrest in the tea gardens. They hold that the unrest was due to a combination of economic and political conditions, and that undoubtedly the existence of economic grievances rendered coolies more ready to listen to the exhortations and incitements of non-co-operators and other agitators."<sup>11</sup>

The District Collector of Darrang district admitted that he "had no doubt that the unrest was in some measure due to economic causes; wages had been slightly raised from time to time but had not kept pace with the increase in the cost of living." But in spite of all these admissions by various government officials and the statistical data on wage rates in the various districts before and after the War, the Committee did not give a categorical opinion with regard to their question, though the wage-statistics given in the report itself conclusively prove that the answer should have been in the negative. All that the Committee could say was this:

"It seems reasonable to infer that the coolies' standard of living must have been lowered of late years. If earnings have not kept pace with the rise in the cost of living, this is inevitable."<sup>12</sup>

But even after saying all this, in the same breath, we find the following comment: "The Committee find it difficult to give a definite answer to the question." Could hypocrisy go further?

Let us analyse the wage statistics supplied by the report itself, in order to see if it was really difficult for the Committee to give a categorical reply on the basis of official data.

<sup>11</sup> Report of the Assam Labour Enquiry Committee (1921-22), p. 20.

<sup>12</sup> *Ibid.*, p. 70.

Table 27

**MONTHLY EARNINGS IN SOME TYPICAL GARDENS IN  
THE CHARGOLA VALLEY<sup>13</sup>**

<i>Name of Garden</i>	<i>March 1920</i>	<i>September 1920</i>	<i>March 1921</i>
	Rs.	Rs.	Rs.
1. <i>Kalinagar</i>			
Men	6-12- 5	7-13-1	6- 4-11
Women	5-10- 3	6-14-7	4-15- 0
Children	4- 3-10	4-13-6	2-15- 9
2. <i>Mukamcherra</i>			
Men	5- 5-10	6- 3-3	5- 5- 1
Women	4- 4- 2	5- 1-0	3-11- 7
Children	3- 6-11	4- 8-6	3- 2- 0

In their evidences before the Committee, most of the managers tried to prove that the workers in general were getting fair remuneration because, apart from wages, they enjoyed other concessions like land for cultivation, facilities for cattle grazing, housing etc. On a careful analysis, however, it can be shown that the planters were pleading a false case. If we calculate the money equivalent of all these concessions and add it to the cash wage, then we will find that *the total monthly remuneration of a worker fell far short of what should have been a minimum living wage.*

Of all the concessions, the most widely advertised one was the grant of land for cultivation. Now, according to the Report, the total area of land held by the workers, either from the Government or tea-garden authorities, was 126,951 acres.<sup>14</sup> The total number of adult labourers was 571,526. This would mean a little over one-fifth of an acre per adult worker. Taking one acre to produce about 18 maunds of paddy or 10 maunds of rice in a year, at Rs. 5/- per maund, we find that the average monthly income from land came to about Re. 1/- per head. This does not take into account any money spent on cultivating the land. Moreover, whenever a worker worked on his land he had to absent himself from garden work and lose his wage. There was also the rent which had to be paid for holding land (about Rs. 1/9/3 per acre). All this should make it clear what material benefits this so-called important concession actually bestowed upon the worker.

<sup>13</sup> Ibid.<sup>14</sup> Ibid. pp. 23-25.

From all these considerations, one cannot but come to the conclusion that the tea garden labourers' strike of 1921-22 was primarily due to economic reasons. The general political situation encouraged the labourers to raise their voice of protest against years of oppression and exploitation. Their strike ultimately ended when some of their demands were partially met. They could not carry on their struggle for a longer period because of lack of organisation. The National Congress, being the leading political party, should have come forward to help the workers to organise themselves. But this was not done. The Congress leadership, headed by Gandhiji, was mightily afraid of working-class organisation and action. Non-co-operation was to be carried on, not by championing the struggle of the exploited against the exploiter, but by avoiding it. The seeds of the tragedy that was to follow later on in the struggle for national liberation, culminating in the Mountbatten Award, were sown in 1921. Gandhiji wrote a number of articles on various subjects in *Young India*. Some of these articles also dealt with the Assam tea garden strikes and in every one of these articles *he categorically asserted that these strikes had nothing to do with the non-co-operation movement as visualised and led by him*. For Gandhiji, strikes were not only unnecessary, but even harmful.

In reply to a letter written by a planter, Gandhiji said:

"The correspondent's advice regarding non-co-operation proceeds from ignorance. I can assure him that I never advised a single coolie in Assam to strike. . . . there is no non-co-operation going on with capital or capitalists."<sup>15</sup>

Further,

"Strikes are the order of the day . . . And there are not wanting labour leaders, who consider that strikes may be engineered for political purposes."<sup>16</sup>

Hence we find that instead of hailing the Assam Railway workers who struck work as a protest against the Chandpur incident, Gandhiji condemned such actions because sympathetic strikes, according to him, had some other motives than the redressal of economic grievances! Such actions must therefore be condemned!

The decade from 1920 to 1930 saw a series of working-class actions and a rapid development of trade unions. Trade unionism was given a legal status in 1926 by the passing of the Trade Union Act, after years of agitation by the Trade

Union Congress. The growth of class unity and class consciousness and the frequent development of working-class movements to defend their legitimate rights, prevented the employers from exploiting their workers according to their own sweet will. Towards the close of the decade, conflicts between labour and capital had sharpened. The employers wanted to transfer the burden of the economic depression which set in about this time (the 1930's) on to the workers, to which the latter refused to submit.

It was in this situation that the Royal Commission on Labour was set up to enquire into the conditions of labour in India (1929). The Committee, after two years of investigation, submitted its Report (12 massive volumes of evidence and one volume of Report) in 1931. One of these volumes deals with plantation-labour, and it is with this part of their investigation that we are, at present, concerned.

The Government of Assam in its evidence before the Committee said:

"Since then [1921-22] with the return of prosperity there has been a steady increase in wages. In the year 1927-28, the last year for which figures are available, the average monthly cash earnings calculated on the average working strength were Rs. 13-2-1 for men, Rs. 11-6-11 for women and Rs. 7-0-6 for children, in the Assam Valley; the corresponding figures in the Surma Valley being Rs. 10-4-7, Rs. 8-6-4 and Rs. 5-4-0."<sup>17</sup>

After giving these figures, the Government of Assam then goes on with the same stereotyped statement regarding the other facilities enjoyed by the workers. What is more interesting, however, the Commission accepted these contention in the main. They thought that enough was being done by the garden authorities with regard to sanitation, mortality, housing etc. The only point which struck the Commission was with regard to recruitment and, therefore, they recommended the abolition of the Assam Labour Board which was mainly responsible for all these loopholes in recruitment.

In accordance with this recommendation, the Government of India passed The Tea Districts Emigrant Labour Act (Act XXII of 1932) in 1932, repealing Act VI of 1901.<sup>18</sup> The Assam Labour Board was dissolved and a Controller of Emigrant Labour was appointed.

<sup>17</sup> Evidence before the Royal Commission on Labour (1931), vol. vi, p. 19.

<sup>18</sup> See Tea Districts Emigrant Labour Manual, Government of India, 1934. p. 8.



The new Act set out that "every emigrant labourer, on the expiry of three years from the date of his entry into Assam, shall have the right of repatriation as against the employer employing him at such expiry." But the recruitment was left to be made through the Tea District Labour Association. But like other previous Acts, this one also was of no benefit to the workers because it failed to solve any of their basic problems. The century-old questions of health and sanitation, apart from the question of wages, remained unsolved.

"There is no provision in the Act for regulating accommodation, sanitation, water supply, medical treatment, wages, hours of work, educational facilities etc."<sup>19</sup> This was the comment made on the Act, in 1944, long after it was passed, by Mr. Rege, Chairman of the Labour Investigation Committee.

We now go on to see how far the attitude of the Commission was, later on, borne out by facts. Before proceeding further, however, we give below a summary of wage-rates of non-Act labourers in Assam upto 1939, i.e. just before the outbreak of the War.

*Table 28*  
AVERAGE WAGE FOR NON-ACT LABOURERS<sup>20</sup>

<i>Year</i>	<i>Male</i>	<i>Female</i>	<i>Child</i>
	Rs.	Rs.	Rs.
1925-26	11-10- 7	9- 5- 7	5- 8- 5
1926-27	11- 6- 1	9- 8- 5	5-14- 0
1927-28	12- 4- 5	10- 6- 8	6- 6- 6
1928-29	13- 2- 3	10- 6- 3	6-10-10
1929-30	10- 3- 5	10- 3- 5	6-11-11
1937-38	6-14- 3	5- 3-11	3-12- 8
1938-39	7- 7-11	5-13-11	4- 1- 3

In the previous chapter, we saw how the tea industry brought in enormous profits during all these years, except for a brief period around the year 1933, when due to a general economic depression in the capitalist world, tea along with other industries, suffered from depression. But all the profit of the industry went into the pockets of the planters and their companies; the workers did not get any benefit out of

<sup>19</sup> Rege Committee, *Report on Plantation Labour* (1944), p. 33.

<sup>20</sup> *Indian Tea Statistics* for the respective years.

it. It will be seen from the wage rates in 1938-39 that wages had hardly increased during all the 70 years of the life of the industry.

In analysing the wage-rates, we must remember that these do not show the real income of the workers. The monthly average wage presumes that the worker works for one month (26 days). In reality this is hardly the case. The nature of work is so hard and tiresome that even the hardy Santhals or Oraons cannot work continuously for a full month. Besides, in order to force down the wage rate, the gardens maintain more workers than are actually shown in their employment chart. Work is distributed in such a way that no one gets work for more than 18 days in a month. The result of this job distribution is that a worker, on an average, earns only 18 days' wage in a month. This must be borne in mind while studying the wage rates.

Even during the war, when the cost of living rose rapidly, the actual income of the worker remained at a very low level. Thus, during 1941-42, the average monthly wage was as follows:-

Male	-	Rs. 10- 7-4
Female	-	" 9-12-9
Children	-	" 6- 4-4

The Labour Investigating Committee which was set up in 1944 by the Government of India had to admit this. The Report on Plantation Labour, written by Mr. D. V. Rege, the Chairman of the Committee himself, gives conclusive evidence to prove that the conditions under which tea garden labourers had to live and work, were worse than what prevailed in any other industry of India.

Although the Labour Emigration Act of 1932 enacted that a labourer should be legally free to move from one place of employment to another, i.e. that he should be free to sell his labour power to the highest bidder, Mr. Rege found that

"in actual practice he [the worker] does not feel that he is free to move. It was stated by labourers on several gardens that the chowkidar would not allow them to go even if they wanted to and this was admitted by some chowkidars also ... *Even in the case of marriage the consent of the managers concerned is generally taken to save trouble ...* The labourers' liberty of movement is further affected by an agreement of 1939 among planters, which is known as the Brahmaputra and Surma Valley Local Recruitment Agreement, which prohibits one manager from deliberately enticing or recruiting labour from another garden."<sup>21</sup> (Italics mine.)

Regarding restraints on workers' movements, even the Royal Commission had to admit that "there is evidence that the labourer's liberty is incomplete. The workers, for the most part, live in lines to which the public have no right of access."<sup>22</sup> The Commission therefore recommended that such a right should be legally established so that the workers may come in contact with the outside world.<sup>23</sup>

We learn from Mr. Rege's Report, however, that the above recommendation was not implemented:

"Outsiders are ordinarily required to take permission of the manager before they enter into the lines occupied by the workers .... meetings of the labourers are not allowed in the gardens except for religious and social purposes. Planters have the right of preventing outsiders from entering the gardens in the exercise of their rights of private property .....

"The present position, therefore, is that we find a mass of illiterate people living far away from their homes in settlements scattered all over Assam, practically segregated from outside influence, unorganised and unable to protect themselves while the employers have formed themselves into one of the most powerful and well organised associations in the country."<sup>24</sup>

From the following comparative chart, the fall in real wages during the war, will be seen:

Table 29  
AVERAGE MONTHLY EARNINGS (1939 and 1944)<sup>25</sup>

		Men	Women	Children
		Rs.	Rs.	Rs.
<i>Assam Valley</i>				
Lakhimpore	('39)	10- 6-10	9- 4-10	6- 2-11
	('44)	12- 0- 5	11- 1-10	7- 4- 5
Sibsagar	('39)	8- 3-11	7- 5- 9	5- 3- 0
	('44)	11-11- 6	10-15- 6	6- 7-11
Nowgong	('39)	9- 7- 7	8-10- 6	4-12- 9
	('44)	9-12-11	9- 8- 2	5-11- 1
Darrang	('39)	9- 0- 4	6-12- 8	5- 0- 6
	('44)	11- 6- 6	8- 9-10	5-14-10
<i>Surma Valley</i>				
Sylhet	('39)	7- 8-10	5- 5- 8	4- 2- 5
	('44)	9- 5- 2	7- 3- 2	5- 3- 0
Cachar	('39)	7- 1- 2	5- 9- 1	4- 3- 3
	('44)	8-10- 2	6- 6-10	5- 1- 7

<sup>22</sup> Report of the Royal Commission on Labour (1931), vol. vi, p. 376.  
<sup>23</sup> *Ibid.*, p. 378.

<sup>24</sup> Rege Committee, *Plantation Labour*, p. 29.

<sup>25</sup> *Ibid.*

(Here we should note that cost of living index had gone up by at least 200% between 1939 and 1944, according to the Rege Report.)

Mr. Rege makes the following comment:

"It is therefore clear that though the cost of living index has gone up by at least 200% between 1939 and 1943, the earnings (including cash value of concessions in food-stuffs and cloth) of labourers in Assam tea gardens have gone up only by 82% . . .

"The standard of living of the tea garden labourers in Assam is appallingly low. They merely exist. They have hardly any belongings except a few clothings (mostly tattered) and a few pots (mostly earthen) . . ."<sup>26</sup>

Even the wage rates of ordinary agricultural labourers in Assam were higher, and they enjoyed more freedom of movement. The following table shows daily wage-rates of agricultural labourers in Assam in 1944:

Table 30

WAGE RATES OF AGRICULTURAL LABOURERS IN ASSAM<sup>27</sup>

	<i>From</i>	<i>To</i>
Lakhimpore	1- 8-0	2-0-0
Sibsagar	0-12-0	1-4-0
Sylhet	1- 0-0	1-4-0
Cachar	1- 0-0	1-8-0

Besides wages and freedom of movement, the Rege Committee had something to say regarding health, sanitation etc. "There is no provision in the Act [of 1932] for regulating accommodation, sanitation, water supply, medical treatment" etc.<sup>28</sup> It is no wonder therefore that the health of an average worker remained as bad as ever. The following table gives mortality figures:

Table 31

MORTALITY PER THOUSAND IN ASSAM TEA GARDENS

	<i>British gardens</i>	<i>Indian gardens</i>
Infantile Mortality	28.8	37.0
Maternal "	168.8	213.0

<sup>26</sup> *Ibid.*, p. 56.

<sup>27</sup> See Report of the Labour Investigation Committee (1944).

<sup>28</sup> *Ibid.*, p. 33.

Dr. Patwardhan, Director of Nutrition Research Laboratories, New Delhi, makes the following comment:

"It must be realised that much of the ill health, and high general infant and maternal mortality commented on by Major Lloyd Jones in his report must be the result of chronic malnutrition from which the labourers and their families must have been suffering for a long time."

In order to find out the factual basis for this observation, we will follow Mr. Deshpande's analysis of the average worker's budget:

Table 32  
ANALYSIS OF WORKER'S BUDGET

Percentage of total expenditure on	Assam Valley	Surma Valley	Bengal
Food	71.55	77.07	77.42
Fuel and Lighting	1.98	1.55	2.08
Clothing and Footwear	9.45	6.90	7.58
Miscellaneous	15.24	13.35	11.65

The tea planters insist that, including various concessions, the worker in this industry earns enough to maintain himself and his family. But, as the above chart shows, *even after getting food at concessional prices, the worker has to spend more than 70% of his total income on food alone.* Yet, this does not enable him to receive a balanced diet. The Governmental authorities themselves admit that with their meagre income it is not possible for workers to buy enough food.

It has been the practice for the Government to set up investigation committees from time to time to enquire into the conditions of workers. Even during the Congress regime between 1947 to 1950, a number of Tripartite Conferences, and one investigation committee (under Mr. Deshpande) have gone into this question. Their reports give us only one picture, viz., the worker's condition is very bad and his wage appallingly low. Acts have been passed like the Plantation Labour Act, Minimum Wages' Act etc. but to no effect. Either these Acts have not been implemented or their provisions fall far short of the minimum requirements of the worker.

All this unmistakably proves the utter failure of the

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Governmental machinery to defend the workers' ~~union~~ also proves that the workers can earn their right to live like human beings only through a united fight against the employers' onslaught. In fact, whatever they have gained so far has been won by their own struggle. Neither the employers nor the Government will go out of their way to meet the workers' difficulties.

## *Chapter XI*

### STRUGGLES OF THE TEA GARDEN WORKERS TO DEFEND THEIR RIGHTS

(1939-1948)

THROUGHOUT history workers have had to defend themselves against the employers' onslaughts. Most of the struggles in earlier periods were spontaneous and sporadic. In previous chapters we saw that this is also true of the early history of the tea workers. Then came the famous struggle of 1921, commonly known as the Chargola Exodus. This also we have already described. After this, the next important phase of struggle came in 1939, just before the War.

This was a very important period in the history of the national movement. Anti-British sentiment was at its height. The newly-elected President of the Indian National Congress, Subhas Bose, began his country-wide tour and visited Dibrugarh, Tinsukia etc. in 1938. His visit created tremendous enthusiasm among the general public as also among the tea garden workers of this area. In the midst of this, the Sylhet-Cachar Cha Mazdoor Sangathak Committee was formed, with Pravudananda Kar and Barin Dutt as President and Secretary respectively. This was the first trade union organisation among tea garden labourers. It is to be noted that the President of this Union was also the President of the Sylhet District Congress Committee. But the main organisers of this union were Communists who acted jointly with Congressmen. The union was registered a few months afterwards.

On 3rd April, 1939, the workers of Digboi Oilfield struck work. This was one of the most important strikes in India. The solidarity and steadfastness shown by the workers as well as the brutality of police repression, will always remain in the memory of trade unionists of this country. For Assam, this strike ushered in a new phase in the national movement.

A few days after the struggle was launched, the Assam Railway Trading Company Labour Union, representing railway, colliery and tea workers called for a general strike among all sections of workers under this union. This strike later on spread throughout the entire tea area, from Dibru-

garh to Margarita. The tea garden workers began to rise against their age-old oppression. In April, the famous strike of the Aruna Bund Tea Estate began. On 23rd April, The *Amrita Bazar Patrika* reported that "Military police have been posted as a precautionary measure at the Aruna Bund Tea Estate where an extensive strike has been in progress for over a fortnight."

The strike then spread throughout the district of Cachar. The main grievances of the workers were heavy work load, managers' bad behaviour, restrictions on freedom of movement etc.

All the workers of the Lidu Tea Estate began a march towards Tinsukia after leaving the gardens as a protest against stoppage of water supply. Ultimately the Deputy Commissioner of Lakhimpore had to intervene to put an end to this strike.

Another strike broke out in Sylhet District in the Balisera Valley, and likewise in various tea estates of Sylhet and Cachar. To come back to the Aruna Bund Strike, it continued for 40 days and changed the entire political situation in Cachar. It created such unprecedented enthusiasm that workers from neighbouring tea estates began to launch movements in its support. Neighbouring peasants, ordinary citizens of Silchar and even the entire student community came forward to help them. The Congress leaders had to take note of this new upsurge and support the demands of the workers. The latter frequently took out huge demonstrations to the neighbouring towns. One such demonstration consisting of 400 workers came to Silchar town, where the citizens also joined it, and paraded its whole length and breadth. At night the authorities of the local schools agreed to allow the workers to stay in the schoolhouses, and the public raised money to feed them. The local Congress leadership at that time was split into two groups—the Bardoloi group which was controlling the Coalition Ministry and another, led by Arun Chanda. The latter took up the workers' cause in the Assembly and mainly at his initiative, the Freedom of Movement Bill was introduced. The Congress Coalition Ministry was dead against passing such a Bill, which would free the workers from the clutches of white planters. Ultimately, the Bill was withdrawn on a false assurance given by Mr. Hockenhull, President of the I.T.A.

But the Aruna Bund strike was still going on. This along with strikes in other tea gardens and the Digboi Petroleum workers' strike, began to move the entire nationalist press of Calcutta which called for public support for the strikers and



blamed the Congress Ministry for not bringing the deadlock to an end. S. J. Mrinal Kanti Bose, President of the Bengal Provincial Trade Union Congress, issued the following statement on 27th May:

"Labour in Assam is awakening, and there are signs of life even among the coolies of the tea gardens. The mass of the exploited labour population of Assam, 12 lacs in number, is looking forward to the outcome of the contest between the very powerful combine of the Assam Oil Co., and the labour union with a fervidity of hopefulness which outsiders can hardly imagine. . . ."<sup>1</sup>

Even the Indian tea planters began to side with the workers in their fight against foreign imperialist concerns. In the Assembly, Mr. Fakhruddin Ali Ahmed, said in his speech in support of the Assam Agricultural Income-Tax Bill (1939):

"The profits earned by British tea companies in Assam are all taken out of the province. Computing the average profits earned and taken away, Assam's tribute to British capitalists during the last thirty years has not been less than 5% of the capital invested, i.e., one and a half times the capital had already been taken away in profits alone."<sup>2</sup>

Ultimately, on 24th May, the Government of Assam appointed the Assam Government Labour Enquiry Committee, with Mr. S. K. Ghosh, I.C.S., Controller of Emigrant Labour, as Chairman and Mr. F. W. Hockenhull, Mr. Baidyanath Mukerjee, Mr. A. K. Chanda and Mr. Deveswar Surma as members, "to investigate the causes of the recent strikes and disturbances and organisation of such labour."<sup>3</sup>

The terms of reference of the Committee were to determine (1) what were the root causes of the recent strikes and other discontents in the tea gardens of Assam and particularly whether there were any economic grievances either generally in the districts concerned or in the estates, (2) what measures were required to remove the main causes of these disturbances, and (3) whether and if so what form of organisation was desirable to enable the labourers in the tea gardens to communicate their grievances to the management in such an effective manner as will remove any doubt that their interests are secure and to procure settlement of such grievances, if any, by negotiation. The Government communiqué ran:

<sup>1</sup> *Amrita Bazar Patrika*, May 27, 1939.

<sup>2</sup> *Official Reports of the Assam Legislative Assembly Debates*, vol. i, p. 1442; speeches on 6th April, 1939.

<sup>3</sup> *Modern Review*, June, 1939, p. 625.

"During the period of the enquiry and pending submission and consideration of the Committee's Report, Government trust that no action will be taken by either the employers or the labourers, or other persons interested in the welfare of labour which might hamper the work of the Committee, or disturb the atmosphere required for promoting good relations between the employers and the employed.

"It is their intention to discourage and disapprove any strikes, lockouts or other activities, which might prejudice the results of the Committee's efforts. If necessary they will be prepared to see that this mutual forbearance is enforced by the use of the powers given by Law, or to consider other measures, should the existing law prove inadequate."<sup>4</sup>

That the threat of the Government was mainly directed towards the labourers is seen from the fact that the management of the Aruna Bund Tea Estate, which was the main centre of strike struggles, turned out 12 workers along with their families from the garden pending the award of the Committee. These workers were turned out because they acted as leaders but the Government did not consider this action a direct violation of its directives and took no action against the company! On the assurance of the Government as well as of the Congress, the strike was called off when the Committee visited the Aruna Bund Tea state. In spite of this the retrenched workers were not taken back.

The Committee visited only one or two tea estates and then abandoned the enquiry. It did not complete its report, neither did it publish any material for the public. It is evident that whatever facts the Committee might have collected were enough to convince its members that it would go against the interests of the planters if they were published. So Mr. Hockenhull, who was also the President of the Indian Tea Association, dissociated himself from the Committee and it was due to his withdrawal that the Committee broke down. Thus ended a chapter in the working-class struggle against the white planters.

In September, 1939, an Assembly seat fell vacant and a by-election was held. Mr. Sanat Kumar Ahir was set up as a candidate by the Workers' Union against a nominee of the I.T.A. Mr. Ahir won by a huge majority in spite of tough opposition. This by-election proved once again that the tea garden workers were definitely becoming more and more politically conscious.

World War II broke out shortly afterwards. Sporadic struggles began again against the rising cost of living. As a

result, in 1943, the management agreed to supply food grains at a cheap price. This was the most important gain in this period.

### *Post-war Period*

Immediately after the end of the war, a mighty working class upsurge shook the entire country which spread also among the tea garden workers. There were many standing grievances. These, along with the general election, created a tremendous tempo in the gardens. The Communist Party set up two candidates from the working-class constituencies of Tinsukia and Nazira. During election meetings the demands of the workers were popularised. Leaflets were issued from time to time, carrying demands like old-age pension, ration to children, supply of cloth at cheap rates, a minimum daily wage of Rs. 1/4/- along with a dearness allowance of Rs. 25/- per month etc.

900 workers of Suntock Tea Estate belonging to the Assam Tea Co. struck work on these demands. Union activity had started. Workers were actively participating in forming unions and in many gardens in Sibsagar district like Mikipore, Hatipoti (belonging to Assam Tea Co.), unions were formed. Union activity also spread out to Tinsukia, where the Congress had set up a candidate against the Red Flag. The management in various gardens took note of the new situation and began to support Congress candidates openly. Workers were victimised for voting for the Red Flag. Police repression was let loose on Red Flag organisers. But all this could not stop the working-class upsurge. After the elections, trade union work was started in Assam Valley. In June, 1946, the Railway workers in Tinsukia were preparing for a strike. They appealed to the tea garden labourers to support them in their coming struggle. A close contact was thus established between these two sections of workers. Tea garden labourers used to come frequently to the Railway Workers' Union in Dibrugarh to request its organisers to go to their gardens and set up unions. Accordingly unions were started in some gardens like Barbari Tea Estate. They were genuine trade unions having a good membership, with regular collection of fees etc. The unions used to take out processions through neighbouring working-class areas popularising their demands and collecting membership fees.

Due to the manager's savage repression, and shortage of ration, the workers of Suntock Tea Estate again struck work and demanded the manager's removal. The manager had stabbed a worker to death in his office. This created great

unrest among the workers. Armed police were called out and firing was resorted to. Later on, as a result of popular pressure, an Enquiry Committee had to be set up. The Committee however remained only on paper and its report was never published. The whole matter was ultimately hushed up.

On 26th January 1947, tea garden workers from neighbouring gardens marched to Dibrugarh in a huge procession to celebrate the Independence Day, under the leadership of the Red Flag. Huge meetings took place throughout this area, particularly in Myzan Tea Estate. The workers pledged to build strong unions in these meetings and a Committee was formed for this purpose. The name of the Union which led all these struggles was the Assam Cha Bagan Mazdoor Union.

The workers also took out processions on R.I.N. Mutiny Day. When the representatives of the World Federation of Democratic Youth visited this area the workers organised receptions and took them to various gardens in spite of the opposition of the management. Warrants were issued for the arrest of leading organisers for taking these delegates to the Myzan Tea Estate. But the upsurge gradually spread. The garden authorities spared no pains to curb the activities of the Red Flag Union but without effect. A strike broke out in the Upper Assam Tea Company's gardens. A 14 days' strike notice was issued in Barbari Tea Estate, with 15 demands, one of which was recognition of the Union which had recently been formed there. The management here was forced to grant some of the demands but took care to disrupt the working-class unity by helping the I.N.T.U.C. to start work there. (The I.N.T.U.C. had just been formed.) Besides, provincial divisions between Assamese and non-Assamese were being systematically fostered.

On 15th August, 1947 the I.T.A. organised a celebration. The aim was to split the working class and disrupt their organisation by isolating them from other sections of the public. But the workers boycotted the I.T.A. celebration and held separate meetings at Dibrugarh. The meeting at Dibrugarh was a great success. A large number of women labourers also came to the meeting. The demand put forward by the Red Flag for four weeks' leave with pay before and after childbirth found a good response among women workers. (It should be noted here that in January 1947, the Tripartite Plantation Conference held at New Delhi decided to increase the rate of maternity benefit. This decision however was not implemented. It was only after a series of campaigns and struggles that the Assam Government finally decided to pub-

lish a Bill on 3rd September 1947, "to provide for the payment of maternity benefit at increased rates to women workers employed in plantations."<sup>5</sup>)

This period saw a great eagerness among workers to organise themselves and launch struggles for defending their rights. The *Indian Labour Gazette* recorded the following strikes: "There was a short-lived strike of the workers of Katchuyan Tea Estate (Hailakandi), involving about 500 workers who protested against a cut in rice ration." In December the same year, there were 2 strikes in the tea garden.<sup>6</sup>

The Red Flag was gradually becoming very popular. Managements in various gardens tried in vain to prevent Red Flag organisers from entering the gardens. The workers gave them shelter and foiled all attempts of employers to hinder them. Meetings used to be held even in those gardens which were under the influence of the I.N.T.U.C.

On 3rd April 1948, thousands of workers came out in procession from gardens as a protest against the Bengal Government's ban on the Communist Party. Immediately afterwards, warrants were issued against leading organisers in the tea gardens. But the movement continued.

On 22nd April,

"in a tea estate in Golaghat sub-division (Nowgong), workers went on strike as a protest against the alleged indifferent attitude of the management towards their grievance. In another estate in Lakhimpore District, a dispute took place over task and fixation of rates of nulls. A third dispute occurred in Dibrugarh area, the cause being the alleged enticing of tea garden labour."<sup>7</sup>

The movement was gathering momentum in spite of lack of organisation. On 1st May, workers of both Railway as well as tea gardens struck work. The estates of Myzan, Nagahooli, Ethelwood, Barbari etc. were affected by this strike. The union which was already affiliated to the A.I.T.U.C. was becoming very popular in spite of the fact that its membership fee rose from 2 as. to Re. 1/- in 1948.

On 18th May, there was another strike as a protest against police repression. About 2000 workers proceeded towards Dibrugarh to hold a meeting in the town. Armed police intervened on the way and ordered them not to proceed further. But the workers were determined to go to the town. The police then warned them that they would resort to firing if they did not disperse, but they were not cowed down

<sup>5</sup> Indian Labour Gazette, Vol. V, July 1947-June 1948, p. 243.

<sup>6</sup> *Ibid.*, pp. 466 and 554.

<sup>7</sup> *Ibid.*, p. 885.

by threats. In vain did the police officials on the spot try to find out who were the organisers of this demonstration. Ultimately, before such a huge and militant demonstration, the police had to retreat. The workers asserted their right and went to Dibrugarh and held meetings there. On the 19th, Railway workers struck work and the tea garden workers staged a sympathetic strike in support of the former.

On 15th June, some organisers were arrested. As soon as this news spread, workers of Barbari and Sessa Tea Estates struck work and brought out a demonstration. Next day the demonstration went to Dibrugarh town again and paraded through all the main streets shouting slogans for release of their leaders. When they were passing the court compound, they saw that their leaders were being taken away in a police van from the court to the jail. Immediately they besieged the police van and snatched away their leaders from the police. Then started a pitched fight between the demonstrators and the police. The whole town was stirred. Police began random lathi and bayonet charges. About 30 persons were severely wounded and 70 arrested. This incident gave the police an opportunity for launching a full-fledged drive against the union officials and Red Flag leaders. Vigorous searches were conducted from garden to garden. Sec. 144 was imposed. Repression was let loose in an unprecedented manner. In the name of restoring peace and order, the Government snatched away all the legitimate rights of the people. Meetings and demonstrations were prohibited. Workers were harassed at the slightest pretext both by the employers and the police. A lull in the working class movement thus set in and the union activities began to collapse.<sup>8</sup>

<sup>8</sup> See The Amrita Bazar Patrika, June 17, 1948.

## Chapter XII

### LABOUR AND THE CRISIS

IN this chapter, we propose to discuss the position of labour *vis-a-vis* the recent crisis.

In Chapter VII we saw how, as a result of the slump, a number of gardens closed down both in Assam as well as in West Bengal and Tripura. Though actual statistics are not available, from figures collected from different sources, it is possible to form a fairly correct idea of the conditions of tea garden workers.

The total number of gardens or estates closed may, on a most conservative estimate, be put at 80 in Assam, more than 20 in West Bengal and more than 20 in Tripura, throwing altogether about 100,000 workers out of employment, and bringing starvation to at least four times this figure, if we include the dependants.

Most of the gardens closed down are Indian-owned, small tea-producing estates. Even some of the big gardens owned by the British companies were threatening to close down unless labourers agreed to work at reduced wages.

As has been pointed out earlier, employers have been insisting on wage-cuts ever since the Minimum Wages Act came into operation. In fact, this Act, which came into force in 1952, was passed in 1948 and should have been implemented that year. But, by their persistent opposition, the employers succeeded in staying its implementation for more than three years. Not only that, since that time, they have been demanding its repeal. The slump of 1952 only gave them yet another argument for pressing forward this demand more authoritatively and vociferously. They claimed that the increase in wages sanctioned by the Minimum Wages Act was the main factor for raising the cost of production.

Criticising the Raja Ram Rao Report, the journal *Capital* remarked on 27th November, 1952,

"The Enquiry Team discusses labour's position at some length but dodges the issue of minimum wages with the oracular remark that minimum wages have come to stay; economic history suggests on the contrary that nothing comes to

stay except the inescapable fact that an industry never pays more than it can afford. ...The issue of retrenchment is evaded with the curious comment that 'retrenchment should not appear as the first item on the proposal for reduction of the cost of production.'

This same journal wrote on 23rd December, 1952, the following:

"The unwillingness of labour and government to make any contribution to resolving the difficulties of the industry in which they have so close an interest has been clear for some time. The only decisions so far taken have been made by management, and they have been unpleasant but inevitable decisions to close estates and to restrict output, both of which adversely affect the Government and the workers and could only have been avoided by the others consenting to bear some of the burden of the crisis. Labour leaders have several times been quoted as saying that they would prefer to see gardens wound up rather than accept a reduction of wages. ..."

The employers wanted to make out the case that the labourer was getting not only what is known as "a fair day's wage for a fair day's work," but more than that. He could, therefore, afford to undergo a cut in his wage. If the industry was to turn the tide, they argued, then a wage cut must be resorted to. In its "Plantation Industries Supplement (1952)", *Capital* remarked that "wages cost" had gone up so much that in 1951, labour charges alone represented 56.62% of the total production cost. This assertion is unfounded, as was explained even by the Raja Ram Rao Team which made the following remark:

"According to estimates in the Report of the Cost Accountant attached to the Team, in the case of the Tea estates in respect of which investigation was made, the wage bill (excluding minimum wages) forms 38.4% of the total cost of production for estates in North India."

Assuming this estimate to be correct, can it be concluded that labour costs bear an unusually high ratio to the total cost of production? It should be remembered here that this industry, unlike other industries, does not have to spend much capital on machinery. That is to say, here variable capital has always occupied a more important place than the constant part. It is very easy to see that under such circumstances, even if labour-cost be 38%, its proportion in the total cost of production is not so spectacular as the employers would have us believe.



Besides, as we have seen in a previous chapter, the tea-garden labourer continues to live on the verge of starvation even after the implementation of the Minimum Wages Act. We have also seen that he gets the lowest emolument compared to labourers in other industries. Therefore, to assert that he can afford to accept a cut in wages, would be a travesty of truth. Such an assertion has no material or moral basis. Yet, by its recommendation to set up Wages Advisory Boards in the different states and to reopen a debate on this point, the Raja Ram Rao Team has virtually accepted this view of the employers.

Another labour legislation that was considered undesirable is the Plantations Labour Act which was also passed in 1948 but has remained unimplemented. Why do the employers insist that this Act be stayed? It is because this Act, for the first time, gives some fundamental trade union rights to the tea-garden labourer, and goes some way in requiring employers to treat their employees as human beings and not as machines or beasts of burden. It is necessary therefore that we should understand the significance of this Act.

This Act "which provides for the welfare of labour and the regulation of work in plantations, contains provisions, among other things, for the supply of drinking water, medical and educational facilities, and also for the provision of housing accommodation, canteens, creches, and latrines. This Act also regulates the hours of work and the grant of leave with pay."

Can it be said, on a careful assessment of these provisions, that this Act seeks to confer upon labourers anything more than some minimum fundamental requirements absolutely necessary for the very existence of labourers as human beings? Is it not indeed surprising that even a century after the inception of this industry, its workers should yet have to fight for securing these provisions? And yet, this is the fact. What is more surprising is that the Team did, in the year 1952, recommend that such demands need not be met immediately, that they might be kept pending indefinitely, till such time as the employers decide to take up the matter of their own accord.

The Team, however, did not suggest any scheme that might be beneficial to labourers. Moreover, not only did it advise the Government of India to postpone the implementation of the Plantations Labour Act, it also suggested that the different State Governments create Advisory Boards to 'modify' the Minimum Wages Act, so as to make

it acceptable to employers, and thus, through them, ultimately, to introduce a further cut in wages.

Accepting this suggestion (and promptly, it must be said), the two State Governments of Assam and West Bengal, agreed to set up Wage Advisory Boards. In the meantime, due to the violent opposition from the different trade union organisations, the Government of India called a meeting of the 4th Tripartite Conference in Calcutta on 19th December 1952, consisting of representatives of employers, labour and the two State Governments. Sri V. V. Giri, the Union Labour Minister, was himself present to guide the conference. The INTUC was allotted 5 seats for delegates and 5 seats for advisors, whereas, the AITUC, HMS and the UTUC were allotted one delegate and one advisor for each of their central organisations.

The agenda before the conference was:

- (1) Revision of Minimum Wages Act,
- (2) Cash conversion of foodgrains concession,
- (3) Retrenchment and closure of gardens,
- (4) Surplus labour in tea gardens and
- (5) Suspension of the Plantations Labour Act.

Sri Giri, in his inaugural speech, admitted that the tea-garden labourers' wages were inadequate, and yet he expressed the hope that they would be realistic enough to judge the situation "objectively". Sri Kalipada Mukherjee, Labour Minister of West Bengal State, referred to the Wages Board's recommendations for Darjeeling. The two ministers, by implication, but not directly, expressed their views, viz. that they wanted labourers to undergo "some sacrifice", in view of the present condition of the industry. The labour delegates intervened at this stage and refused to accept the views of the two ministers. Sri Giri thereupon asked them to hold bipartite discussions with employers' representatives so that, on the basis of such discussions, the conference might finally arrive at some agreed solution acceptable to all. By this move, he hoped to throw the entire responsibility off the Government's shoulders and to sidetrack the central issues of the conference. He thought a deadlock in the bipartite discussion would be inevitable because representatives of labour and employers would not be able to come to any agreed decisions and, therefore, the ultimate decision would remain with him in his capacity as President of the Conference. But the results of the bipartite discussions proved otherwise. It was unanimously agreed by the two parties to move the following resolution

in the Tripartite Conference on their joint behalf, much to Sri Giri's annoyance:

"This committee is of the view that the Report of the Official Team [i.e., Raja Ram Rao Team] is unsatisfactory and that it has failed to furnish adequate statistical data, relating to industry and labour and that no decision can be taken on the basis of this Report. The Committee, therefore, suggests that a Tripartite Commission with Regional Sub-Committees be appointed by the Central Government immediately to investigate into the cost structure of the industry. Pending the Report of the Tripartite Commission, the Committee recommends as an emergency measure that relief by way of refund of the duty collected by the Central Government may be given as follows:

Cachar, Darjeeling and Tripura	... 3 as. per lb.
Duars, Terai and Central Travancore	... 2 as. per lb.
Assam and Madras States	1 anna per lb.

"The Committee is of the opinion that the refund should be granted on Tea despatched from the gardens in the above-said areas with effect from the 1st April 1952, until further notice, provided that no such refund shall be made to the gardens which have closed down and do not reopen immediately after announcement of the relief by the Central Government. The gardens which have suffered loss during the year 1951 and 1952 should be granted loan relief by way of long-term loans on puisne mortgages on the block assets to the extent of the short-fall which they had during the said period. When the Government is satisfied that any of the gardens had not suffered loss during the financial year 1952-53, the Government may direct that the amount refunded shall be spent on labour welfare such as housing, health, education etc. *Should relief be granted by the Government, producers feel that there will be no further closure or retrenchment or reduction in the earnings of labour till the Tripartite Commission, as mentioned above, reports, and the refund shall be contingent upon the working of the gardens without retrenchment or reduction in the earnings of the labourers pending the reports of the Tripartite Commission. Producers shall also endeavour to reopen the gardens which were closed down in 1952.*

"No revision by any State Government Committee of the Minimum Wages Act Awards shall be made to the detriment of labour after the acceptance by the Government of the proposal during the pendency of the enquiry by the Tripartite Commission." (*Italics mine.*)

It is clear from the above resolution that the Tripartite Conference agreed not to implement, for the present, the recommendations of the Official Team regarding revision of

minimum wages as sanctioned in the recent Act, and the conversion of foodgrains concession into its cash equivalent money wages. But both employers and the Governments of West Bengal and Assam, shortly before the Conference, had set up Wages Advisory Boards in accordance with the Official Team's recommendations. Clearly, it was the duty of both these parties to dissolve these Boards as per the Resolution of Tripartite Conference. This was not done and the Boards were allowed to function. They recommended that prices of foodgrains be raised from Rs. 8 to Rs. 17½ (for Darjeeling) per maund, and from Rs. 5 to Rs. 15 for Duars and Terai. Simultaneously, the daily wage was increased at rates varying from 1½ annas to 2 annas only, in order, it was said, to make up for the deficit due to the withdrawal of the foodgrains concession.

It is obvious that, by this scheme, the real wage went down by a considerable amount because from then onwards, a labourer would have to pay Rs. 10 more from his pocket for a maund of rice. In spite of strong protests from all the central trade union organisations, the above scheme was implemented shortly after the Tripartite Conference. If such procedures of bypassing Tripartite Conferences are adopted and sanctioned by the Government then one fails to see any reason for convening these conferences. If the Government really believed that all problems arising out of a conflict between labour and capital could be solved "peacefully" through mutual discussions, and without affecting the interest of labour, then here was the chance to prove it. Subsequent Government actions, however, far from justifying this belief, only proved how absurd it was in practice. No wonder, therefore, labour is gradually losing faith in these government-sponsored conferences! Only a few months earlier, in July 1952, the Minister for Commerce and Industries said in Parliament that "it was not the intention [of his Government] to make the position of labour worse than what it was and that if possible it would be made better". Then again, the Finance Minister stated that "the recommendations of the Committee [Raja Ram Rao Team] would not be such as would hurt labour". The reader will judge for himself how far Government, through its subsequent directives and decisions, lived up to the solemn assurances of these two ministers of the Central Government.

The net result produced by the various schemes and conferences during the last one year is, therefore, (a) a reduction in the real wage and (b) non-implementation

of the Plantations Labour Act. The labourer was thus thrown back to where he was before 1947, prior to the first All-India Tripartite Conference on Tea Plantations. In fact, his condition deteriorated further as will be seen from the following detailed first-hand reports collected by the AITUC office through its organisers working among tea-garden labourers.

*Present condition of tea garden labourers*

(a) *In West Bengal*:— "The wages of Darjeeling workers have already been reduced by 25% (this was in February 1953). The planters are out to force a wage cut in Duars and Terai also. No gardens in Duars or Terai allow work more than 4 to 5 days in a week. Most of the gardens have reduced the wages from Rs. 1-3-0 to 11 as. or 13 as. per day, by stopping *haziras*, i.e. two tasks. Every garden (specially those under the ITA) had been using coercive methods to make the workers either accept rations at Rs. 17-8-0 per maund in place of Rs. 5|- (as was the prevailing rate), or 4 days' work per week with reduced wages. Retrenchment on a mass scale, closure of gardens, non-payment of wages for months together with 10 to 15% wage cut, stoppage of yearly increment for employees, withdrawal of other facilities, summary and forcible eviction of workers, were some of the methods being used by the planters of Duars and Terai."

An idea of the working of tea gardens in the present period may be had from the following two typical examples:

*Jadavpur Tea Estate (Duars)*: "Employees did not receive wages for the last three months and workers for one and a half months. Workers were being paid 7 as. per day since November, 1952. No D.A. even for a single *hazira* was being paid. Workers being exasperated stopped work after 17th January, 1953, as they found no hope of any payment whatsoever. Thus about 250 workers and employees are on the verge of starvation. Workers are trying to live by collecting wood from adjoining forests and selling it as fuel."

*Chengmari Tea Estate*: "4 days' work a week only. Piece rate has been linked with 8 hours' work per day with one hour rest. This is a new introduction in the gardens where 8 hours' daily work is impossible due to the very severe nature of labour required in the gardens. If any one fails to work from 8 a.m. to 4 p.m., he is given only 11 as. if he or she completes only one task, i.e. one *hazira*. Employees

of the garden are faced with a 10% wage cut and withdrawal of existing facilities, e.g. leave. All monthly-rated workers, e.g. chowkidars, motor drivers, mistries, factory workers, have been made daily-rated, and wages for 4 days per week are being paid to them."

The above summary of the findings of the AITUC gives only a general picture of the present plight of labourers. To appreciate more fully the grim situation facing the worker, let us now analyse the budget of an average working-class family in the tea gardens.

Table 33

**BUDGET OF A WORKING-CLASS FAMILY COLLECTED  
ON 25-1-53 IN LAKSHMIPURA TEA ESTATE (DUARS),  
CONSISTING OF 3 WORKING ADULTS AND 3  
DEPENDANT CHILDREN**

(1) <i>Income for the month of December, 1952</i>		
Male member worked for 20 days		
(@ Rs.1-3-0 daily)	Rs.	23-12-0
His wife worked for 15 days		
(@ Rs. 1-1-0 daily)	Rs.	15-15-0
His sister worked for 22 days		
(@ Re. 1-1-0 daily)	Rs.	23- 6-0
Total earnings	Rs.	63- 1-0

Therefore total earning per week comes to Rs. 15-12-3

(2) *Expenditure for 3rd week of January 1953*

<b>A. Ration (From the management)</b>		
Male: 1 seer rice and 2½ seers atta and ½ seer chana (4 days at cheap rate and 2 days pro-rata)	.. ..	0-13-0
Sister: Same	.. ..	0- 8-0
Wife: worked for 3 days (1 day no work, and 1 Sunday and 2 days absent)	.. ..	1- 2-0
Children: Only one got ration of ½ seer of rice	.. ..	0- 2-9
Dal: (kalai, 1 seer per adult @ 4 as.)	.. ..	0-12-0
Supplementary rice purchased from Bazaar	.. ..	6- 0-0
Kerosine (1½ bottle)	.. ..	0- 9-0
Mustard oil (¼ seer)	.. ..	0- 6-0
Potatoes (1½ seer)	.. ..	0- 9-0
Onions (¼ seer)	.. ..	0- 3-0
Spices	.. ..	0-10-0
Salt	.. ..	0- 3-0
Gur (1½ seer)	.. ..	0-15-0

Soap	..	..	0- 8-0
Washing Soda	..	..	0- 2-0
Matches	..	..	0- 3-0
Pan, Cigarette	..	..	2- 2-0
Fish	..	..	1- 8-0
Milk	..	..	0-14-0
Tea	..	..	0-10-0
Total	..	..	<u>18-11-9</u>

*B. Monthly ration from the Company*

Mustard oil ( $\frac{1}{2}$ sr. per adult and $\frac{1}{4}$ sr. per minor)	1-12-0
Slippers (from Motor tyre)	.. 0-12-0
Total	<u>2- 8-0</u>

Reduced to weekly figure, this come to 10 as.

*C. Miscellaneous Annual purchases:*

Gunny 3 cubics pieces (4 pieces a year @ Rs. 2 - per piece)	..	..	8- 0-0
Umbrella	..	..	7- 4-0
Tapes for hanging baskets	..	..	2- 0-0
"Jhuli" cloth pieces for plucking (4 per season @ Rs. 3 - per piece)	..	..	12- 0-0
Sickle (1 piece)	..	..	2- 0-0
Total	..	..	<u>31- 4-0</u>

Reduced to weekly figure, this comes to Rs. 0-10-5.

Hence income for the week	..	..	15-12-3
And Expenditure for the week	..	..	20- 0-2
Net deficit Rs.	..	..	<u>4-3-11</u>

This shows a deficit of Rs. 4-3-11 for the week. This deficit is not confined to a particular week but is typical of all weeks during the non-plucking season, and these deficits have to be met partly out of slightly enhanced earnings during the plucking season and partly from loans taken from moneylenders at exorbitant rates of interest.

Thus far with regard to West Bengal. We may now pass on to Assam.

As it is not necessary to go into detail regarding the working of various tea gardens in Assam (because the pattern is more or less the same as that prevailing in West

Bengal), we will only take up one typical garden, the Barjalings Tea Estate (Cachar), whose Managing Agents are Messrs. James Finlay & Co.

From 1951, cash conversion of food grains concessions was introduced here, the quantum of cash being as follows:

Cash conversion of food grains concessions	6 as. daily
Dearness Allowance	5 as. daily
Wages	10 as daily

Total cash earnings 1-5-0 daily

Just before the last Tripartite Conference, working days were reduced to four days a week. This continued for 2 to 3 weeks and then, a month later, it was further reduced to 2 days per week, *hazira* (including cash conversion, D. A. and wages) remaining at Rs. 1-5-0 per day. Simultaneously, the unit of work was increased to 50 *nals* of *safai* pruning, 200 bushes of medium pruning etc. Workers normally cannot complete this new full unit of work with the result that they get a reduced pay. Consequently,

“30 to 40 labourers of this garden went to Aijal Road for earth work, but had to return as they could not stand the cold. Most of them returned without a farthing in their pockets. This happened in December 1952.

“One Mangu Goala of Fari Line sold his cow at Rs. 24/- (which is generally sold at Rs. 50/-). Dina Pashi was roaming about with a goat for sale but he got no customer. The moneylenders (Kabuliwalas) are now reaping a rich harvest. So much so that a worker fled away from the garden, unable to face his moneylender...”

This is what is happening in the tea gardens throughout the whole of Assam and West Bengal.

Will it, therefore, be very surprising if one finds that the labourer, unable to bear “peacefully” the existing miserable conditions of living, has to fight back doggedly for defending his legitimate rights? And if he does so, can he be blamed? The reply cannot be in the affirmative. Labourers have reached a stage where they have no alternative but to fight back. We, therefore, witness a series of struggles taking place both in Assam and West Bengal in recent years. This is happening in spite of the fact that, as a class, tea-garden labourers are the most backward and unorganised, and trade union activities are not permitted in the gardens. Hence, most of these struggles are, to a certain extent, sporadic and spontaneous in nature and economic in character.



*Labour Struggles in West Bengal*

Detailed information is not available but any keen reader must have read in the daily newspapers of frequent strikes and other forms of struggle taking place in the different gardens during the last one year. Here are a few instances.

*Chengmari Tea Estate (Duars)*: When "labourers were asked to give their thumb impression on an agreement to accept ration at Rs. 17-8-0 per maund, all of them refused."

*Lakshmipara Tea Estate (Duars)*: "Attempt to introduce 4 days' work per week was resisted by women workers and the manager had to withdraw the order."

*Malnadi Tea Estate*: "Workers protested against introduction of 5 days' work per week and *hazira* at 11 as. per day. Police force was brought to threaten them with bitter consequences."

*Dagapur Tea Estate (Terai)*: "Recently 3 families have been forcibly evicted for trade union activities."

Junas Munda and his family were evicted at the dead of night, when the Management of the gardens sent goondas and demolished their huts. This was reported to the Labour Commissioner, but to no effect. Kinoo Munda and his family too were evicted. Male members of these families were "guilty" of legal Trade Union activities, and for this alleged "crime" of the male members, the female workers too were discharged and forced to leave the garden.

*Baradighi Tea Estate*: Workers refused to take rations at increased prices. The management called for police help and just 2 days before the Wages Advisory Board of the West Bengal Government met, police resorted to firing in this garden. One was killed and 3 seriously wounded as a result of the police firing.

*Benneckborn Tea Estate (Darjeeling)*: "Six workers have been dismissed from their services (with effect from 22-1-53) for the only reason that they dared to oppose the increased ration prices."

*Labour Struggles in Assam*

*Tarajan Tea Estate*: "Workers refused to agree to the Management's demand regarding increase in ration price. On 20th January, they resorted to strike. On the 21st, the Management tried to come to an understanding on terms favourable to themselves. On the 23rd, armed pickets were posted there. Workers barricaded roads, ghats etc. Later reports are not known."

*Maejan Tea Estate:* "One female worker was absent for a day for which she was dismissed. But all the labourers residing in her Line, resenting this, surrounded the manager and forced him to reinstate her."

Apart from such strike struggles, there have been a number of mass meetings and demonstrations in individual gardens in recent times. The following is a brief report of these meetings and demonstrations.

Under the auspices of the Cachar Cha-Sramik Union (affiliated to the I.N.T.U.C.), several tea labourers' rallies were held on different dates in different areas. For instance, on 4th January, 1953 in Manipur Tea Estate, 5,000 labourers from different gardens attended a rally; on 7th January, in Silchar, 5,000; on 8th January in Binnakandy, 3,500 and on 9th January, in Labak 3000 workers attended meetings.

Under the auspices of Surma Valley Cha-Sramik Union, the following rallies were held:

On 25th January, a rally of 10,000 labourers was held. The main demands of this rally were ration at existing prices and no reduction in wages or working days. From 18 tea gardens of the Lungai Valley, labourers came in a procession. The meeting was called to discuss the crisis in the tea industry. The president of the meeting, Sri Viswanath Upadhaya, disclosed that labourers of the Chargola and the Lungai Valleys despatched two telegrams to Sri V. V. Giri, the Chairman of the Tripartite Conference which was held at Calcutta, and expressed his surprise that those telegrams were not produced before the conference.

The meeting demanded reopening of gardens and warned the employers and the Government that if the gardens were not opened immediately, the labourers would have no other alternative than to resort to peaceful struggles.

On 28th January, a big rally was held at Mukumcherra. It was called by the same Union and the same basic demands were placed there.

The Doom-Dooma Circle Cha-Mazdoor Sangh, at a meeting on 1st February, protested against the proposed cut in the number of working days by 8 European-owned gardens.

The 6th Annual Session of the Panitola Circle (Dibrugarh) of the Assam Cha-Karmachari Sangh (Tea Employees' Union) requested the Government to look to the workers' conditions in the tea gardens and criticised planters for their anti-labour policy.

The 5th Annual General Meeting of the Titabar Sub-Circle Cha-Karmachari Sangh was held at Titabar Town

Hall (Sibsagar) on 15th February. It was attended by all the employees from all of the 19 gardens of that area. The secretary made a special appeal to employees to promote good relations between the staff and labour.

At the annual general meeting of the Furkating Group, Assam Cha-Karmachari Sangh, held on 15th February at Dolowjan Tea Estate, the president Sri D. Hazarika, Ex-M.L.A., advised all the employees to strengthen their union.

The Working Committee of the Assam I.N.T.U.C., which held an emergent session on 15th February, unanimously expressed their resentment at the revision of minimum wages of workers without rationalisation of the cost structure. The Committee directed all affiliated unions to protest against the retrograde measure of the Government of Assam, by holding meetings, processions and other demonstrations, particularly by observing a protest day on 5th March. It also requested the members of the Assembly returned on labour votes and particularly those attached to the I.N.T.U.C. to take up the matter of "unwarranted" revision of minimum wages "which is done to help the employers to earn better profits than in the past" in the next session of the Assembly.

On 10th February, 7 workers were arrested from Olivicherar Tea Estate, about 40 miles from Karimgonj. These workers who were retrenched shortly before were cutting grass in the garden area. When asked not to do so, they said they had no other means of livelihood. Thereupon, they were arrested. This caused great anger among other workers and the European manager was surrounded by about 500 workers who demanded the reappointment of the seven workers and full payment of their wages.

Sri Hariram Sarma, organiser of the Assam Branch of the I.N.T.U.C., launched a hunger strike on 6th March as a protest against the injustice done by the employers and the State Government to the labourers of Brahmaputra Tea Co. Ltd. The garden was closed for about two months and on 5th March, notice of reopening was served. Labourers at a meeting held at Neghriting Tea Estate passed a resolution (on the same date) for non-cooperation with the employers' decision.

A meeting of labourers from Bokakhat, Naharjan, Diphaloo, Methoni, Lathobari and Barjuri Tea Estates, was held at Bokakhat, under the presidentship of Sri Naranjan Paik. Speeches were made explaining the objects of the meeting and a decision was taken to observe a Protest Day against the revision of minimum wages.

Under the auspices of the Cachar Cha-Sramik Union, labourers observed a Protest Day on 5th March.

Many more rallies and meetings like these were held; the main demands everywhere were the same, viz. protest against closure of gardens, reduction of wages, decrease in working days, stoppage of rations etc. On 15th February, a procession of 10,000 labourers was taken out in Silchar, shouting slogans, "Open or Quit the Gardens!" Workers travelled scores of miles on foot (many women carrying babies on their backs) to join the mammoth rally which protested against the closure of 116 tea estates all over India. The rally culminated in a huge meeting where a resolution was passed affirming their demands.

The Cachar Cha-Sramik Union at a meeting of its executive committee held on 20th February under the presidency of Sri Ramprasad Chaubey, M.L.A. (the president of the union) adopted the following resolution:

"This meeting.... reiterates the decision of the Working Committee of the I.N.T.U.C. Assam Branch, on the revision of minimum wages adopted at the meeting held on 15th February 1953 and considers the Government notification as an instance of abject surrender to the Industry by the Government at the cost of labour, whose vote alone contributed not less than 48 members to the Congress Party in the Assembly in a House of 108 members.... In spite of the sincere offer of co-operation on the part of the workers and the Union to make reopening of gardens possible on reasonable terms, all efforts to this end failed on account of unhelpful attitude shown by the employers' associations. In this circumstance, if the gardens cannot be re-opened with a guarantee of basic minimum wages for workers, the only alternative to save the unemployed workers is to requisition the garden land including area covered by the plantation, and to distribute them among the workers....

"The Executive Committee of the Union, therefore, demands of the Government of Assam to secure reopening of the gardens or in the alternative to requisition and allot lands to the workers in these gardens within 28th February, 1953, failing which the Union will be left with no other alternative but to launch non-violent and peaceful Satyagraha for fulfilment of the aforesaid demands.

"The Executive Committee hopes that the Government will take timely steps to avoid this contingency but should it arise, the Union will regretfully go ahead giving due intimation to all concerned about the actual programme of the proposed Satyagraha.

"The garden workers in the district are faced with a grave crisis and thousands are daily feeling the pangs of hunger. This is entirely due to the acts of omission and commission on the

part of the industry and the labour cannot be blamed for the present situation. This is but the outcome of a planned intrigue of the powerful section of the industry to coerce the labour to submit to its terms or to crush the industry in India. In the interest of people in general, and with particular reference to the economy of the district, the Committee appeals to all right-thinking people of the district to stand behind the workers in their struggle against economic exploitation and the conspiracy to destroy the industry...."

This is a resolution which was passed by a Union affiliated to the I.N.T.U.C., which has, time and again, pledged its loyalty to the Congress Government, and which, as everybody knows, came into being exclusively due to the desire of the top Congress leaders to "free the Indian working class from the ideology of Communism and the Communist Party". When, therefore, a Union belonging to the I.N.T.U.C. passes such a resolution as quoted above, the gravity of the situation can well be imagined.

## Chapter XIII

### SOME RECENT DEVELOPMENTS

IN the preceding pages, we discussed at length the position of Capital and Labour *vis-a-vis* what is known as the crisis of 1952. Let us now trace the subsequent developments.

The tea companies were bent upon solving the crisis of 1952 in their own way. And though they could not easily force the labourers to follow them blindly, they could, however, persuade the Government to give them, to some extent, a free hand to formulate their own policy of solving the crisis. It was thus that the crisis was solved, though at the expense of the labourer and the average consumer.

We also saw in Chapter VII how the tea companies tried to curtail production so as to create an artificial sellers' market, internal as well as external, and how they succeeded in this. Less production, the temporary exit of Indonesia from the world market, derationing and depleted stocks in the U.K., end of after-effects of stock-piling in U.S.A.—all these factors gave such a boost to the prices of tea that the latter rose higher than even the 1951 level (which was considered to be an exceptional year for high prices). The following table shows the trend of prices in tea:

Table 34

#### PRICES IN LONDON AND CALCUTTA MARKETS (1951-54)

(a) <i>Average Price of North Indian Tea in the London Market</i>		(b) <i>Average Price in the Calcutta Market</i>	
Year	Price per lb	Year	Price per lb.
1951	3-8d.	1951 (June)	34 annas
		1951 (Nov.)	28 "
1952 (Nov.)	2-10d.	1952 (Jan.)	26 "
		1952 (May)	13 "
1953 (Jan.)	3-3.31d	1953 (Jan.)	21 "
		1954 (Jan.)	39 "
1954 (Jan.)	4-3.74d		

(See "Monthly Tea Sale Review"  
by M|s. Carritt Moran & Co., Ltd.)

Commenting on the present position of the industry, no less a person than Sir Percival Griffiths, Adviser to the Indian Tea Association, London, stated in an article in the *Financial Times*, that "the continuous watch kept over market conditions by those concerned was reasonable ground for the belief that over-production would not again be allowed to force prices to uneconomic levels," and that "the Indian tea industry had now fully acquired the technique of adjusting supply to world demand." (*Statesman*, 19-10-54.)

Sir Percival was, however, cautious enough to state simultaneously that this did not mean that the industry was in a position to meet the demands of labour and that another three or four years must pass before any such demands could be brought on the agenda.

A recent review by the *Statesman* (12-9-53) throws some more light on the present position of the industry. We quote the following from the above review:

"The progress of the Indian tea industry continues to be satisfactory. Prices fetched both at Calcutta and London auctions are substantially higher than for the corresponding period last year. Demand at the Calcutta sales has been strong. ...

"The estimated North India Crop to the end of July 1953 was 191,355,007 lbs. as compared with 212,422,145 lbs. to the same date last year. ...

"Figures of tea crops and sales upto the end of July 1953, of eight tea companies under the management of Messrs. Duncan Brothers & Co., Ltd., provide further evidence of the improvement that has occurred in the fortunes of the industry since the crisis of last year. These eight companies... may be regarded as a fairly representative cross-section of the industry... The total crop from these gardens will be smaller than last year."

Turning to sales and overall average prices, the review comments that

"the trend is unmistakable. In all except two gardens, disposals in 1953 were higher than in 1952. ... The increase in some cases was striking, Birpara disposing of 1,413 maunds in 1953 as against 193 in 1952. Prices in 1953 were higher than in the previous year, in all except one.... The improvement in prices is impressive, the Ord garden of Gungaram Co., recording an increase from Rs. 1-1-3 in 1952 per lb. to Rs. 1-11-3 in 1953 and Killcott improving from Rs. 1-5-4 per lb. in 1952 to Rs. 2-0-0 in 1953."

The improved outlook for the industry cannot but affect the prices of tea shares and we, therefore, find that

"bargain hunters have been active in this section in the last few days."

We quote the following table from the above review of the *Statesman* to show the movements of "a representative list of tea shares" from the middle of January 1953 to the middle of September:

Table 35

## PRICES OF TEA SHARES (Jan.—Sept., 1953)

Jan. 15	June 25	Sept. 3	Sept. 11
Rs.	Rs.	Rs.	Rs.
23-0	34-0	30-8	31- 8
23-0	28-8	23-4	26-12
12-8	12-4	11-4	12- 4
37-0	33-0	32-0	33- 0
15-4	19-8	15-4	18- 0
11-4	15-4	13-0	14- 0
8-8	11-4	8-8	10- 0
13-0	18-2	13-2	16- 8

The above table shows how steep the rise has been, reaching a peak in June.

How has this shift in the position of the industry affected labour? That is a very delicate question for the owners of the industry. When prices fell in 1952, they asserted that an increase in the cost of production was responsible for the slump. And for this increase, the major blame was thrown on labour. It was alleged that labour charges became unbearably high and, therefore, in order to bring down production costs, this item must undergo the first cut. The logical corollary of such an argument demands that when the industry prospers, an adequate share of the prosperity should go to labour. But the laws of capitalism are stronger than logic. The entire history of the tea industry shows that the whole amount of surplus value earned by the industry has always been pocketed by the capitalists and never shared with the labourers. Enquiry committees, and tripartite or bipartite conferences come and go, but they do little or nothing to better the lot of the workers.

Hence, in spite of the Minimum Wages Act and the Plantations Labour Act, in spite of a series of conferences and Government's intervention, the labourer had to undergo



a cut in his wages in 1952. (The nature, as well as the circumstances leading to this cut, has been dealt with in detail elsewhere in this book.)

But as the labourer would not voluntarily agree to this sinister plan, a series of strikes broke out in all the tea-producing regions. Even as late as mid-August 1953, we find the following report supplied by the P.T.I., on 18th. August:

"About 50,000 tea garden workers in Jalpaiguri district, owing allegiance to the Praja-Socialist Party, have resorted to a three-day token strike called by the Party. They are demanding increased wages and other facilities."

This is the background in which the labour problems in the tea gardens in 1953 are to be studied.

We saw in Chapter XII how Wages Boards were set up in different states as a result of a persistent demand by employers after the events of 1952. These different Wages Boards recommended conversion of rations into cash equivalents, thereby actually lowering the real income of the labourers. On 27th February, 1953, a special meeting of the Standing Plantation Committee was held at Shillong with Sri V. V. Giri in the chair. There were two items on the agenda of the meeting, viz., (i) closure of tea gardens and surplus labour in the plantations; (ii) conversion of foodgrains concession into cash.

Referring to the question of cash conversion of foodgrains concession, Sri O. K. Das, Labour Minister of Assam,

"thought that labour representatives were no longer opposed to the principle, the quantum of compensation to be paid in lieu being the only question on which a satisfactory agreement had to be reached. . . .

"He felt, however, that cash conversion might not be enough to save the weaker section of the industry for whom some preferential treatment might be necessary for a short time. There should also be a suitable leave structure which could be availed of by the labourers without being penalised in any way. *Referring to the problem of surplus labour. . . . he said that while, on the one hand, labour was being discharged and retrenched due to closures and rationalisation, recruitment on a large scale was going on, on the other hand, leading to a vicious circle with all the consequent evils of unemployment.*" (Proceedings of the Shillong Meeting; italics mine.)

Sri Giri, in his presidential speech, reminded those present in the meeting that "if workers are asked to undergo sacrifices to meet the emergency, it is fair that others higher

placed, i.e., the managerial staff as well as the shareholders, should also make some sacrifice."

All this pious talk by the representative of the Government had nothing to do with the actual reality. We do not yet know what sacrifices were made by the "managerial staff", though we know very well that labour had to forego a substantial part of its income, in spite of Sri Giri's own admission that he did not "however want to create any feeling as if labour in tea plantations enjoys a reasonable standard of wages and living conditions at present."

However, discussions continued with regard to the fixation of quantum of compensation to be paid in lieu of food-grains concession. Mr. Llewellyn, representative of the I.T.A., offered to pay 7 as. more as cash compensation, whereas cereals were to be sold at Rs. 20 per maund.

This conversion rate was naturally rejected by the labour representatives. Sri Tripathi, of the I.N.T.U.C., said that the "conversion rate should be 12 as. which should be added to the basic part of the wage, so that in case of maternity, women might get it."

Ultimately, Sri Giri himself suggested "that for a period of 6 months both sides should agree to a conversion rate of 9 as." This proposal was accepted by the labour representatives but as Mr. Llewellyn refused to accept the same, the whole meeting came to an end without achieving any concrete solution.

Shortly afterwards, the two Wages Boards of West Bengal and Assam were formed which, as we pointed out in a previous chapter, recommended a cut in wages.

The next major development in the field of labour took place when the Fifth Session of the Industrial Committee on Plantations, was held in Calcutta on 30th January, 1954. In this Tripartite Conference, there were three items on the agenda, viz., (i) lay-off compensation for plantation workers, (ii) enforcement of the Plantations Labour Act, 1951 and (iii) cash conversion of foodgrains concessions.

The importance of the first item lies in the fact that during 1952, a number of gardens had either closed down, or drastically retrenched their workers. This state of affairs, causing serious unemployment, continued even in 1953, and even the Government felt that some steps should be taken to meet the situation.

The second item could no longer be kept in abeyance as it had become overdue long since, while the third one, as we have seen previously, has been the most talked of problem in the tea industry.

In connection with this Tripartite Conference, the Ministry of Labour (Government of India), submitted the following memorandum with a view to explaining the exact nature of the items for discussion. It will be interesting to note what the Ministry of Labour had to say on these points. With regard to the first item, the memorandum runs as follows:

"The question of payment of compensation for involuntary unemployment was discussed at the thirteenth session of the Standing Labour Committee held at New Delhi in July 1953, and as a result of bipartite consultations, an agreement was reached between the employers' and workers' representatives on the quantum of compensation and the conditions to be attached to the grant of compensation to workers in the event of their lay-off. Central legislation based largely on the terms of this agreement has since been undertaken by the recent amendment of the Industrial Disputes Act, 1947. When the amending Bill was before Parliament, many members urged that the provisions in the Bill relating to lay-off should be made applicable also to plantations. The Amendment Act provides for payment of lay-off compensation to workers in factories covered by the Factories Act, 1948, and mines coming under the Mines Act, 1952. The scale of compensation will be admissible for not more than forty-five days in a period of 12 months. Compensation for lay-off beyond 45 days will be admissible in certain circumstances if the worker is laid-off for continuous periods of more than one week at a time....

"Although by the recent amendment to the Industrial Disputes Act, 1947, workers in plantations have become entitled to compensation for retrenchment, they have not been protected against lay-off on the same lines as workers in factories and mines. In view of the insistent demand of plantation workers, the Committee is requested to consider whether the provisions of the recent amendment to the Industrial Disputes Act relating to compensation for lay-off should be extended to plantations."

With regard to the enforcement of the Plantations Labour Act, the memorandum points out that

"the scheme of the Act is such that practically none of the welfare measures can be implemented unless rules on the subject are framed by the State Government concerned. The only provisions which would involve financial commitments on the bringing into force of the Act (without framing of rules) seem to be the following:

Section 8: Drinking water.

Sections 26 & 27: Tokens and fitness certificates.

Section 30: Annual leave with wages.

"As the expenditure on these items will not be excessive, the Committee may consider whether there is any objection to the bringing into force of the Act without further delay. Of the other welfare measures which can be enforced only by the framing of rules, it might be possible to implement some without delay or expense, while, in the case of some, implementation will have to be planned on a long-term basis. The Committee might consider the possibility of a phased programme of implementation of all such measures.

"The Committee is invited to consider the following points:-

- (i) Whether the Act may be brought into force immediately; if so, on what date;
- (ii) Whether all the provisions of the Plantations Labour Act, 1951, should be implemented immediately or whether any priorities should be laid down and a phased programme drawn up in the matter of implementation, and
- (iii) if the latter, what arrangement should be made for the preparation and the implementation of the phased programme."

The last item, viz., conversion of foodgrains concession into cash, was not originally included in the agenda. It was subsequently added, in view of the suggestion put forward by the I.T.A., which also submitted a memorandum on the subject.

The arguments put forward by the I.T.A. urging the acceptance of their proposal are, briefly, as follows:

(a) The existence of a wage partly in cash and partly in kind gives rise to misunderstandings, disputes and waste;

(b) The replacement of the normal shopkeeper by the garden manager has obliged estates to lay out huge sums in the purchase and storing of foodstuffs, and

(c) The sale of grains in Assam at only five rupees a maund gives the tea garden population a totally false view of present prices and, therefore, of the effort normally required to earn a living in present times.

With these arguments, the I.T.A. memorandum makes the suggestion that "it (i.e., the I.T.A.) would be prepared to offer eight annas (with grains at Rs. 20), of which one anna might, if Government and Labour so desired, be placed to a Provident Fund."

The fallacy as well as the real implications of the above proposal have been dealt with elsewhere in this study. We, therefore, proceed to indicate the recommendations of the Tripartite Conference, arrived at after a thorough discussion of all these items.

*Recommendations of the Tripartite Conference:*

*Item No. 1:* "Resolved that this Committee do recommend to Government that steps be taken to apply the provisions of the Industrial Disputes (Amendment) Act, 1953, relating to lay-off to the plantation industry with effect from the 1st. April, 1954, subject to the condition that none of the provisions of the Act shall derogate from the effect of any statutory notifications issued by Government or of any agreements or contracts entered into between the parties requiring the provision by employers of a minimum number of days of work or wages or compensation to workers."

*Item No. 2:* "The Indian Tea Association, the United Planters' Association of Southern India and the workers' organisations were of the view:—

(a) that the Act should be brought into force on the 1st April, 1954,

(b) that the sections which automatically came into force should be given effect to,

(c) that rules should be framed in respect of all welfare measures covered by the Act and submitted for scrutiny and approval to a tripartite committee at an early date, the rules in respect of the six items of first priority being submitted, if need be, ahead of the remaining rules,

(d) that after the finalisation of the rules a phased programme of implementation of the following welfare measures, included in the first stage of implementation, should be drawn up, namely, (i) medical facilities, (ii) creches, (iii) recreational facilities, (iv) housing facilities, (v) protection from the weather, and (vi) welfare officers, and

(e) that consideration of the remaining welfare measures, namely, (i) educational facilities, (ii) conservancy and (iii) canteens be postponed for the present."

On the question of cash conversion, the Committee recommended that for Assam, the cash wage be increased in the following manner, subject to the condition that food grains are to be made available at the following rates:

Zone I:	9 as. per day with foodgrains @	Rs. 20
Zone II:	9 as.       "       "       "	Rs. 20
Zone III:	8 as.       "       "       "	Rs. 17/8

Such were the recommendations of the Fifth Tripartite Conference.

From the nature of these recommendations, it can be seen that some of the very urgent demands of the workers have, for the first time, been accepted, and are going to be implemented soon.

This has become possible because of the consistent fight put up unitedly by the labourers in almost all the big tea gardens in India. Tea labourers could no longer be kept in virtual slavery.

## *Chapter XIV*

### CONCLUSION

WE have tried to trace historically the growth and development of the Indian tea industry. Having done so, it becomes necessary to conclude our study with a few remarks on the problems of the industry and suggestions for their solution.

First of all, we find that this industry, unlike other industries, does not involve the large-scale use of machinery. Its main prop is the worker who by his sweat and toil earns dividends for the investor. That is to say, the stress is more on variable capital than on constant capital. This is, of course, partly due to the very structure of the industry, but mainly due to the colonial nature of its operation. It being under the control of foreign capitalists (this is so even to-day), the latter find it most profitable to invest their money in this way. In fact, this is one of the typical ways in which capitalists of a metropolitan country go on draining the wealth of their colonies. In India, which is now a free country, British capitalists are still allowed to control, guide and manage a number of important industries—tea plantation being one of them—and thereby, in the name of economic co-operation in promoting industrial development, to drain away enormous profits to Britain.

But where variable capital plays a more important role, the wage rates of workers are kept at the minimum because this item, being very important in the total cost-structure of the industry, a cut in this head enables the producer to increase substantially his rate of revenue. Therefore, any demand for increase in wages always meets with the staunchest opposition from the latter who always tries to keep the wage rate at the minimum. This procedure has, of course, the sanction of the economic laws of imperialism which demand that investment be kept at the minimum while, simultaneously, by extracting more and more of labour from the backward labourers in the colonies, the rate of profit is to be kept at the maximum.

It is, therefore, no wonder that the worker himself gets the least benefit from these profit-making industries. And of all the industries in India, tea companies probably pay

the highest rates of dividend, which is possible because of the extreme and intensive exploitation of the tea-garden workers, whose living conditions are no better than those of slaves in the past. This assertion has been conclusively proved by the analyses made in previous chapters.

Again, in time of crisis, it is the worker's budget that comes in for the first drastic cut. The entire past history of the tea plantation industry in India bears evidence of this fact. Thus, for instance, we find that just after the first world war, when the industry was passing through a crisis, a cut was introduced in the wages. Then again in the 'thirties of this century, among measures adopted to stem the tide of crisis, one was that of reduction in wage-rates. Lastly, during the latest crisis (of 1952), similar measures were adopted, and if today we find the industry again on the path of recovery, it is not due to any basic changes introduced in the mode of operation but to a further reduction in worker's wages which was achieved through a complicated procedure and a series of manipulations.

But it would be a mistake to think that workers accepted such attacks on their livelihood without any protests. In fact, in spite of their backwardness and semi-slave conditions of living, workers have always fought, although spontaneously, against such attacks. The famous strike of Assam tea-garden labourers in 1921 and the series of recent struggles show that it has never been easy for employers to implement their sinister plans of attack on the worker's budget. In fact, whatever rights have been gained by the workers have been mainly due to their struggles. This is best seen from the recommendations of the 5th Tripartite Conference, where some of the main demands of the workers had to be accepted.

Our next conclusion is that here is an industry which, though producing consumer goods, is run not for the benefit of Indian consumers but for exporting its products to overseas markets, specially to the U.K. The cultivation and production of tea were undertaken in India by the British capitalists because they felt that by supplying the U.K. and other countries with this commodity, a substantial profit could be earned without investing much capital from time to time. And since the interests of the tea-producing companies, from their early days, coincided with those of the Government of India, the latter spared no pains to help them carry on exploitation in all possible ways. Thus, one of the most important items of this industry, viz. land, was made available to them on the easiest possible terms along



with the right to utilise this land in any way they liked. There was hardly any intervention by the Government in the activities of the tea companies so far as their policy of exploitation was concerned. This policy of non-intervention on the part of the Government continues even today, and if at certain times we find the Government taking some positive steps, that is mainly due to workers' struggles.

Tea-producing companies together hold about 2,600,000 acres of land of which only about 800,000 acres are under tea cultivation. The amount of land under food cultivation by workers does not exceed 125,000 acres. The rest, i.e. 1,675,000 acres, are lying fallow. It is surprising that, though producers vehemently complain about food shortage, they are not prepared to bring this huge amount of reserve land under cultivation and thus solve this problem, at least partially. The Government also maintains a remarkable silence on this point.

Thirdly, on the question of labour, the policy pursued by the Government in allowing and legalising labour emigration into the gardens of Assam under the indenture system showed that though Great Britain had legally abolished slavery in 1833, it was, however, readopted in practice, under a different name, in India so as to enable the British tea companies to carry on colonial exploitation at the cost of the Indian worker. And as the Indian worker refused to leave his land to go to work in the tea gardens under the then existing conditions, he was made to do so through the legal enactments which sanctioned the indenture system. In fact, the working class in India grew up, in the modern sense, only through the indenture system. Herein lies one of the fundamental differences between the rise and growth of the working class in India and in the capitalist countries of the West. Why was the indenture system necessary? It was necessary because to the workers, drawn mostly from the ruined artisans and landless peasants, tea plantations did not hold out any prospect of better working or living conditions. Wages were inadequate, while the nature of work was highly detestable. Hence it was almost impossible to secure workers willing to go to the tea gardens voluntarily. On the other hand, planters were badly in need of more and more labourers to work in their ever-expanding tea gardens. To solve this problem, the former compelled the Government to legalise the indenture system.

When, however, under continuous pressure from all sections of the public and due to certain changes in the

objective conditions, the indenture system was abolished in 1913, the planters took every step to see that the abolition of the system remained only nominal. This policy of exploiting tea-garden workers by making them work like serfs continued in the later period also, in spite of strong criticisms by various committees set up from time to time by the Government of India under the British.

This phase in the living and working conditions of the tea-garden labourer might have been considered a closed chapter in the history of the Indian working class had it not persisted even till today. Though India is no more a British colony, the colonial system of exploitation by British tea companies still continues and the worker has yet to liberate himself from his status of colonial servitude.

How can this change of status be brought about? Recent experience has shown that changes in the workers' living conditions will not be brought about by the present Congress Government. They can come only through the workers' own struggles, through their own organisation. In the matter of organisation, tea workers are still inadequately organised, partly due to the backwardness of the workers themselves and partly due to the split in the trade-union organisations in general. This lack of unity among the different trade union organisations has been standing in the way of consolidating the various gains won by the tea-garden workers through their struggles. But, fortunately, bringing about unity is not altogether impossible. Recent experience of tea-garden labourers' struggles, particularly in Assam, and the role of the I.N.T.U.C. therein, has shown that united action between the A.I.T.U.C. and the I.N.T.U.C., at least so far as Assam is concerned, is possible. It should be remembered that whatever be the motives and intentions of the top leaders of the I.N.T.U.C., objective conditions are leading their provincial leaders to adopt a more progressive stand from time to time. How does this come about? This is because the big bosses of the I.N.T.U.C. cannot find any section among the tea-garden labourers who can be relied upon as a base from which to preach their reactionary ideas. There is no section among them who can be bought off because the actual nature of exploitation here is such that not even a small section is allowed to enjoy some amount of extra privileges that might cause them to act as the spear-head of reactionary ideas and preachings. Hence unity among the workers is possible and has to be brought about. In fact, the resolution that was passed in the last two Tri-

partite Conferences at Calcutta, had the unanimous support of all the labour delegates, irrespective of their central trade union affiliations.

We next pass on to consider the position of the Indian tea producing companies. They generally own small farms, having small capital at their disposal. The dominating role of foreign capital, working through the various big farms, cannot but affect these smaller Indian units. These latter have neither powerful financial backing nor any voice in the trading and marketing of tea, and are, therefore, unable to compete with the powerful British monopolistic companies whose constant effort is either to grab Indian units or compel them to function under their directives. But though the Indian farms are rather small tea-producing units, their role from the point of view of national economy should not be minimized. It is essential to see that these farms are not allowed to close down due to circumstances that are beyond their own control but not beyond the control of the State. The importance of these small tea-producing farms may be understood at a glance from the following advertisement issued by the Indian Tea Planters' Association, Jalpaiguri (i.e., the I.T.P.A.), which is the leading Association of Indian tea planters.

"It [the I.T.P.A.] is the most influential organisation of the Indian Tea Planters in Upper India having on its rolls no less than one hundred and fifteen Tea Estates located all over the tea districts of West Bengal, North Bihar and Assam States owning 57,500 acres of Tea Plantations producing annually about 55 million pounds of Black and Green Teas and maintaining a huge labour force considerably over one lac heads and a supervisory staff of no less than 5,500 heads".

From the above statement, it is clear that we cannot afford to let things take their own course and allow these farms to collapse. And yet that is just what the Government of India seems to be doing. For instance, during the crisis of '52, it was mainly these Indian companies which had to face a total collapse in their trading and producing activities. Time and again they urged the Government to help them tide over the crisis by arranging for loans, deferred payment of excise duty etc. For a long time, the Government maintained complete silence. When at last it was forced to look into the matter, the measures it recommended for helping the industry fell short of the requirements of these small farms. Announcing the "Government Plan to Aid Tea Industry", Mr. Krishnamachari, the Commerce and Industry Minister, admitted that "the present

acute credit difficulty, according to the Government's information, was confined broadly to some 275 Indian-owned gardens mostly in the north and north-west". But, at the same time, he said that "he did not know how many of the 275 Indian-owned gardens were sub-marginal, uneconomic units. Some of them were, apparently, in that category. No amount of bank finance or immediate price subsidy was going to help them. *They have to take the consequences, and some of them may have to close down.*" (Krishnamachari's speech in the House of the People, Dec. 10, 1952; italics mine.)

Assuming the Commerce Minister's analysis to be correct, what is going to happen to those thousands of labourers who work in these gardens and to the shareholders and those small allied industries which depend on these farms for their existence? What steps does the Government propose to take to save them? No reference to these points was made by the Minister in his speech, which only betrays lack of concern on the part of the Government with regard to the consequences which will follow a total collapse of these farms.

This discussion naturally brings us to an analysis of the present crisis. As has been shown in previous chapters, the slump has ended and prices are now showing an upward trend and, in most cases, have already gone much above the corresponding figures for the last two to three years. What, in our analysis, were the causes that brought about the slump? Briefly speaking, those factors were, the policy of stockpiling in some of the capitalist countries just after the outbreak of Korean War leading to a fall in export of tea to these countries in the subsequent year, gradual fall in the purchasing power of the average consumer throughout the capitalist world leading to a fall in consumption of tea; restriction of trade between India and the New Democracies and the Soviet Union; the wrong and harmful policy pursued by the International Tea Market Expansion Board; and lastly the deterioration of the quality of Indian tea brought about by a desire to maintain the high level of profits.

How is this crisis being solved? As recent events have shown, the crisis is being solved without adopting any basic change in the structure and mechanism of operation of the industry. In fact these steps are typical instances of the monopolists' way of solving the crisis. First of all, the big British farms have compelled quite a number of small Indian farms to wind up their businesses. Simultaneously

production was drastically lowered causing high demand and rising prices abroad.

Secondly, they have succeeded, thanks to Government's cooperation, in bringing about a reduction in the wages of the labourers by means of withdrawing the facility of selling food-grains at reduced rates.

Thirdly, by compelling the Government to postpone the implementation of the Plantations Labour Act, the employers have been able to "save" a huge amount of money which would otherwise have to be spent towards raising the workers' standard of life to some extent, and lastly, by the recent changes introduced by the Government in the operation of Excise duties, which will deprive it of a substantial annual revenue.

On the other hand, what steps have been taken to see that a slump does not occur again in future? Apart from a decision to cut down production of tea, nothing has been done. As we all know, restriction of production during a slump does not cure the malady of crisis. It again reappears within a certain period, even with a greater sweep. Hence it can very safely be predicted that though the producers might hope for a quick return to prosperity, dark days are, nonetheless, ahead of the industry. Nothing short of a total change in the whole framework of the industry can cure the disease. So long as the British capitalists are allowed to dominate this industry, both through capital investment, control of production and trading and artificial restrictions in trading with different countries, so long as the purchasing power of the average consumer shows a downward tendency, there cannot be any bright future for the industry. The only result of this policy will be to allow foreign capital to drain away our already poor financial resources in the name of industrial co-operation.

Therefore, from the long-term point of view, the tea industry must be freed from the clutches of foreign capital, which should be confiscated and turned into a national asset. India has already paid enough dividends to the British companies, who now must be forced to part with the money invested in the tea industry. In reality, this belongs to us as it was earned at our cost and through Indian workers' toil. So long as this is not done, there can be no permanent solution of the cyclical crises in the tea industry which put the workers as well as the average consumers into lots of difficulties.

Certain steps can and should be taken by the Government immediately to check the anti-national activities of

British tea-growing monopolists. A bright prospect for these monopolists does not mean a bright prospect for the average consumer or for the tea garden labourer. It is necessary for a democratic Government, if it really takes democracy seriously, to safeguard primarily the interests of the majority, viz. the consumer and the labourer. From the recent Government notification announcing the formation of a new Tea Board, we find that this proposed Board is going to be vested with powers not possessed by the existing Board. The new Board, if it so wants, can exert sufficient control over the industry. Even within the existing framework, the affairs of the industry can be controlled in a way beneficial to the country. For this, the Board has to pursue an independent policy with firmness and not merely echo the voice of the British tea monopolists. It is however too early to predict how the Board will function, but from the past experience we can assert that the new Board will not function in a progressive manner unless compelled to do so by organised public opinion.

Similarly, the recommendations adopted by the last Tripartite Conference must be implemented forthwith and the Plantations Labour Act should, in its entirety, be enforced in the shortest possible time.

The Indo-Soviet Trade Pact, signed on December 2, 1953 has opened up great possibilities of expanding our external market for tea and the proposed Board, when it comes into existence, should try to utilise this pact for a greater export of Indian tea to the Soviet Union and the New Democratic countries of Europe.

The tea industry in India, being entirely under the control of foreign capital, calls for a greater vigilance from the Government. The present pattern of functioning of the industry has nothing to do with what is generally understood by the terms, 'industrial development', and 'role of foreign capital.'

Lastly, it should be remembered that in the present situation, there cannot be any genuine industrial development with starving workingmen at one end and a monopolistic control at the other.



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